"In Order To Work With Us They Need To Know How We Work"

The relationships between non-profit organisations and governments in social policy implementation.

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DECLARATION

I declare that this thesis is the product of my own independent research. It contains no material which has been accepted for any other degree or diploma, or any copy or paraphrase of another person's material except where due acknowledgement is given.

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Date: 2/11/2009

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I dedicate this thesis to those who rely on support, in one way or another, from the complex system of human and community services we have constructed in Australia. May those with a role in the many layers of this system keep seeking answers and asking questions, avoiding complacency, cynicism and territorialism as we journey together along our many complementary paths to find and enact better ways of providing this support.

ABSTRACT

Every year, millions of people in Australia receive support from a range of human, social and community service organisations – government and non-government, large and small, formal and informal, for-profit and non-profit. This support is an example of *social policy implementation* and it is rarely spontaneous, but instead has travelled a long and complex path from conception to delivery. The relationship between governments and community service non-profit organisations (NPOs) forms one critical nexus through which social policy passes in the process of implementation. It is part of a vast puzzle regarding the private delivery of public services and is significant in many ways.

This thesis reports on an ethnographic study exploring the day-to-day experiences in three NPOs involved in social policy, in response to the question "how do NPO leaders understand and manage their relationships with governments in the process of social policy implementation?" The findings are applied to a predictive typology of organisational response developed by Oliver (1991) based on organisational and institutional theories. Using Oliver's structural-functional framework as a heuristic for explaining and exploring the qualitative fieldwork data demonstrates not only the utility and limitations of the framework itself, but also the benefits of using it to specifically to further deepen analysis and uncover unexpected themes. In this way, layers of findings and analysis thicken and deepen throughout this thesis. Such findings include, but are not limited to the *active* role the NPOs play in the process of social policy implementation – even when simply complying with government requests or instructions – and the important role

played by the leader(s), particularly in interpreting the NPO's circumstances and framing the options for response.

Insights developed from this "thick" ethnographic description are applied to the public administration and third sector literature. In doing so an underpinning theme in which the leaders in this study see their NPO as being "not just a tool" of government is identified. The theoretical framework of organisations *as* institutions, as developed by Selznick (1957) emerges as a suitable and revealing way of understanding the experiences of the NPO leaders. The act of applying this angle of institutional theory to the involvement of NPOs in the process of social policy implementation neatly complements, but critically deepens existing institutional understandings of this process. For example, it is suggested that, just as Lipsky's (1980) street level bureaucrat contributed a theoretically significant way of understanding the role of the front line individual worker in the process of social policy implementation, so too does a Selznickian institutionalised organisation understanding of NPOs involved in the same process – at an organisational, instead of individual level.

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LIST OF ACRONYMS

AGM	Annual General Meeting
ARC	Australian Research Council
ATO	Australian Taxation Office
CCA	Community Centre Association
EA	Executive Assistant
FAA	Faith Aid Australia
MP	Member of Parliament
NGO	Non-government organisation
NPO	Non-profit organisation
NPM	New public management
OT	Occupational therapist
PBI	Public Benevolent Institution
PCC	Provincevale Community Centre

CHAPTER 1

MAKING SENSE OF SOCIAL POLICY IMPLEMENTATION VIA "THIRD PARTIES"

1.1 From the passion to the project: A personal journey

Every year, millions of people in Australia, many of them marginalised and vulnerable, receive support from a range of organisations – government and non-government, large and small, formal and informal, faith based and non-faith based, for-profit and non-profit. This support is rarely spontaneous, but instead has travelled a long and complex path from its conception to its design and finally to the site of its delivery, what I call the *process of social policy implementation*. This thesis describes a different but related process – that of my own research and investigation into *just one part* of this process of implementation: the relationship between governments and non-profit organisations (NPOs) in the community services sector.[1]

Recently, I stumbled upon four pages of typed notes I had written several years ago while preparing for an "exit interview" with an organisation for which I had worked as an occupational therapist (OT) with people with disabilities. By the time I wrote these notes I had been working as an OT with a range of people in a range of organisations and countries for about eight years, and during this time I had developed a slow, creeping concern about what was called "the system" in which I was embedded. The notes I prepared for this exit interview were a cathartic venting of some of the frustrations I had developed along the way. I wondered

often how the people at the "top" – the decision makers, policy developers and service managers – were choosing options that had inevitable and often negative consequences for the work I was performing and the services my clients were receiving. I was deeply concerned that *organisations* needed to work together in order for *workers* to work together, in order for *service users* (who typically were vulnerable and marginalised and in need of support with often the most basic functions of life) to receive the services they required.

The following is an excerpt from these exit interview notes:[2]

> Almost every aspect of the work that I do involves a number of stakeholders other than the client, including suppliers of equipment, the housing department, building contractors, teachers, paid carers, and the organisations that provide support to my clients.
>
> However, the relationships between this organisation and the others that I am required to work with in my day-to-day practices are strained due to reasons including:
>
> - Payment for recommendations made by people such as myself must typically be borne by other organisations. For example, often I am called in to provide expert consultative individualised advice to address problem situations – typically safety related (i.e. a client is at risk of falling, or injuring themselves). I recommend housing modifications, equipment, staff practices or staffing levels that are an appropriate and necessary response to these risk-related situations. However, these recommendations may or may not be adhered to depending on the costs involved. It is professionally compromising to be required to alter these recommendations because of the cost involved, and yet this is a common occurrence.
>
> - For example, recently a referral was made for emergency OT intervention to support a group of clients and staff where the clients [a group of young men with autism and intellectual disability] were entering the kitchen and dangerously accessing knives and hotplates during meal preparation. I worked closely and at great length with the house staff to explore a number of individualised solution options, and made a subsequent recommendation. However, management within the organisation which supported this group of men disregarded this recommendation to enact their own different recommendation, one which I had already considered with the house staff and disregarded because of its inappropriateness. This was done with no consultation with myself. I understand and support the

> need to work together across organisations in the development of recommendations for jointly supported clients, and I am committed to working in this way, however, this incident was highly disappointing. I am not sure why the other organisation disregarded the partnership process here, but I assume it must have been due to their unreasonable workloads and pressing timeframes which made it difficult for them to communicate these changes with me.

Reading the notes I had prepared for this exit interview I can vividly recall the passionate frustration I felt that "my clients" were at risk, simply because organisations could not work together.

My passion here was enhanced by my own family circumstances. My elder sister, Susan, has cerebral palsy and intellectual disability and is someone for whom labels of "vulnerable" and "marginalised" are appropriate – despite her characteristics of charisma and great resilience, and regardless of my commitment to avoid the stigmatising effects of unnecessary labelling. My life experience journeying alongside her, with only 18 months separating us, witnessing the ways in which our two lives converge and diverge has been an illuminating experience in many ways. Living away from family in a government-run group home, Susan fully relies on a range of systems of support, formal and informal, government and non-government, all of which have both positive and negative attributes.

As a result of my journey alongside Susan I have developed a keen interest in understanding the many and varied impacts of the "systems" which aim, but do not always succeed, to support marginalised and vulnerable people. I like to think that I am acutely and passionately aware of the importance of appropriate safety nets, but am not naive to both their advantages and drawbacks. In particular, I am

continually surprised to see circumstances where people such as Susan are failed by the comprehensive systems created with the *best intentions* to provide support. Conversely, I despair to see support systems abandoned without adequate replacements when they are found to fail those they intend to support. I have long wondered about how to develop a perfect system of support or if, indeed, this is possible.

My experience here is particularly stained by my knowledge of "whole institutions" – large residential facilities into which parents of people with disabilities were encouraged to place their children and forget about them (Westcott, 2003). Sometimes located on islands or other isolated locations, these places were the only model of care for most people with high support needs related to disability up until the 1980s, and some still exist even today (PWD, 2009). The caring practices of "benevolent professionals" who ran them were often life-threateningly damaging to those who were unfortunate enough to live in these facilities (Blatt & Kaplan, 1974). Yet, I too embarked on the career path of a "benevolent professional" – an occupational therapist, policy officer and researcher – and a personal path of an advocate and guardian for my sister. In doing so, I enacted a deeply held belief: that the solution to poorly designed social policy implementation was to continue to *seek answers* or to "speak truth to power"(Lea, 2008; Wildavsky, 1979).

To this end, I worked in a broad range of settings and roles, including formative experiences volunteering for a year with a locally run non-government organisation (NGO) on a small Pacific island and working as a researcher for a peak body. Having

earlier completed honours research focused on developing best practice guidelines in a particular field of therapy services, and as a woman interested in systems, I regularly found myself involved in workplace-based processes for addressing systemic failure, such as organisational restructure working groups, policy review committees and staff representative forums. After nearly a decade of working "hands on" as an OT, I went to work "in social policy", where I learned, firsthand, about the difficulties of balancing well-informed policy development with the demands of short time frames and cabinet-in-confidence processes.

Through my experience as a policy officer I began to understand the need for the bureaucracy to be impartial and not "captured" by any one particular viewpoint over another, nor for implementation to be determined purely by "what we know how to implement well" (Linder & Peters, 1987, p.459). Yet I also felt it was important for policy to be intimately informed by the experiences of people who deliver and receive it. I also began to understand the role of policy advocates and the incremental but influential ways in which even low-level bureaucrats such as myself could impact on policy development (Goodin, Rein, & Moran, 2006). My curiosity continued to build and intensify about how the process of social policy implementation occurred and how institutional arrangements (the ever-nebulous "system") impacted on the people within it (and vice versa). Thus, when the opportunity to conduct research into the relationships between governments and "third party providers" arose, I leapt at it. The opportunity was as a part of an ARC project, *Improving Decision Making in Government Service Delivery Using Third Party Providers.*

1.2 *Improving Decision Making in Government Service Delivery Using Third Party Providers*: The research context

This study is embedded within an Australian Research Council Linkage project involving the Australian National University, the Australian Government Departments of Finance and Administration; Education, Employment and Workplace Relations; Housing, Families, Communities and Indigenous Affairs; Veterans Affairs; and the Victorian Government Department of Human Services. The project is entitled *Improving Decision Making in Government Service Delivery Using Third Party Providers.* It focuses on examining models used by government agencies to deliver services with an aim to inform and therefore improve decision making in government service delivery.

> This focus will enable the project team to investigate how agencies can achieve and maintain an appropriate balance of interest amongst the various stakeholders... The project will... investigate how relationships with providers are managed and how these relations can be improved in the selected industries. An important dimension of this analysis will be the transmission between policy goal, policy instrument and delivery outcomes. For instance, how does the choice of policy instrument and form of delivery affect the nature of service provision sought by government (Australian Government Department of Families Community Services and Indigenous Affairs, 2006, p.7)?

The core research questions of the linkage project are:

1. How can governments better choose among possible service delivery models to improve the effectiveness, efficiency, ambits of accountability and control and risk management and anticipate the likely consequences of their implementation choices?

2. How can governments better manage the changing relationships between themselves and third party deliverers of services to enhance the quality of service care in relation to childcare, ageing and disability services?

There are many elements to the project, of which this thesis is one part. My colleagues involved in the project have, for example, collected case study data tracing the delivery of specific government programs through in-depth interviews with government officials. My study contributes to the overarching project by bringing in the voices and perspectives of those *outside* government involved in the process of social policy implementation – specifically, non-government, NPOs. In doing so, I hope to address the project's key points of consideration including "how government agencies manage a change in provider relationships" and "how government agencies can strategically improve the implementation process of programs" (Australian Government Department of Families Community Services and Indigenous Affairs, 2006, p.7). It is important to note that while this thesis describes my research as a part of the overarching ARC project, my findings are wholly my own and do not reflect in any way the position or opinion of any partner in this ARC project.

Academically, my study proposes to contribute to the bodies of knowledge about social policy implementation, public service delivery and NPOs. I do this through developing an explanation of the process of social policy implementation, reminiscent of the street level bureaucrat paradigm, at an inter-organisational level using a number of themes from institutional theory. Also, through using structural

explanations as an analytic heuristic, I highlight the role of agency and contribute to the emerging contingent understanding of the role of NPO leaders in the process of social policy implementation.

My aim is to assist government actors to better understand one of the many sectors involved in the delivery of social policy. Rhodes (1997; 2003) argues that a key skill required by public administrators is the ability to put themselves in the shoes of those with whom they work. In this spirit, the study reported in this thesis contributes to understanding the process of government social policy implementation via third party providers by investigating and comparing the life worlds, beliefs and practices of leaders in three NPOs as they relate and respond to government in the process of negotiating social policy implementation. [3]

1.3 A vital but problematic nexus

The relationship between governments and NPOs is a critical nexus for the process of social policy implementation. It is part of a vast puzzle regarding the private delivery of public services and is significant in many ways (Parsons, 1995). Firstly, despite difficulties in measuring the size and impact of non-profit human and community services (Lyons, 2001; Productivity Commission, 2009), it involves a great deal of money: "during the 2006-07 financial year, not-for-profit social services organisations received $11.7b in income... The main source of income for these organisations was funding from federal, state and local government, which accounted for over half (54.6% or $6.4b)" (Australian Bureau of Statistics, 2009, "Social Services: Sources of Income," para. 1).

Secondly, how the nexus between governments and NPOs is organised and managed has the potential to impact on a large number of people. Of the 41,008 NPOs in Australia at the end of June 2007 (Australian Bureau of Statistics, 2009, "Overview: Summary of Operations," para. 1), 5,769 of these were defined by the Australian Bureau of Statistics as social services, which employed 221,549 people and were supported by 255,305 volunteers (Australian Bureau of Statistics, 2009, "Social Services: Summary of Operations," paras. 1-3). The sample of 556 community service organisations who responded to the Australian Council of Social Services 2007-08 survey reported they provided services to more than three million people (Australian Council of Social Service, 2009). Thirdly, the relationship between NPOs and governments has the potential to involve a great deal of influence – in more than one direction. It is through this nexus that NPOs lobby government and seek input into the policy development cycle (Maddison & Edgar, 2008). Many suggest it is also through this nexus government agendas can shape the practices of this portion of civil society (Lyons, 2001; Smith & Lipsky, 1993).

Social policy implementation in Australia involves local, state, territory and federal governments as well as a range of non-government actors and organisations. Governments are responsible for providing the legislative and regulatory framework and often for funding service delivery – either directly, through contracts, subsidies, fee-per-service, and grants, or indirectly, through transfer payments to individuals (Lyons, 2001). In Australia, the bulk of this service delivery occurs through non-government organisations (private non-profit as well as for-profit organisations), who run nursing homes, child care, therapy services,

accommodation support, youth programs and the like.[4] Peak and representative organisations for both providers and service users may also be involved in the service delivery negotiations between governments and private providers.

The complexity of service delivery relationships derives not only from the number of stakeholders involved, but also from their diversity. At the government level, responsibility may be shared between multiple layers of government, often with input from more than one department at each level (Wanna, 2007). At a provider level, organisations might be large or small, for-profit or non-profit, faith based or non-faith based, part of a national network or single local providers, providing a single or multiple types of service, responsible for managing volunteers, with varying degrees of capacity and a broad range of ideologies (Fredericksen & London, 2000). Service delivery relationships may vary from short-term contractual associations involving minimal communication to well-established, ongoing, negotiated partnership with high and regular levels of communication (Gazley, 2008; Lewis, 1999).

While the provision of human, community and welfare services through non-government, "third party" providers, such as NPOs is prolific, it is not necessarily new. Some non-profit provision predates government involvement (Australian Department of Social Services, 1942). However, its use specifically as a "tool" or instrument of social policy implementation by governments has grown and changed vastly in the past 50 years (Hood, 1983, 2006; Salamon, 2002b; Smith & Lipsky, 1993).

For governments, the implementation process is complicated by issues arising from "implementation traps... which can bring policies and programs to grief" (Althaus, Bridgman, & Davis, 2007, p.168). These traps include, for example, "conflicting policy instructions from more than one source (Lindblom, 1980, p.67) or incomplete specification, where the objectives of policy are too vague to give clear direction to implementation (Althaus et al., 2007). Policy logics based on poorly considered causal theories can mean that policies do not lead to their intended consequences (Mazmanian & Sabatier, 1989). In collaborative implementation projects, stakeholders can have difficulty agreeing on common aims or sharing power and may experience "partnership-fatigue" (Husham & Vangen, 2008, p.35). Another challenge common in Australia includes the potential for "buck passing" between jurisdictions, agencies and governments that arises from federal divisions of responsibility (Mulgan, 2006).

For the NPOs, complications in implementation can arise from tensions between interdependence *with* government and independence *from* government (Boris & Steuerle, 1999; Najam, 2000). NPOs may find themselves simultaneously in collaboration and conflict with government, delivering programs driven by goals with which they do not agree (Frumkin & Andre-Clark, 2000). The conflicting tensions of organisational autonomy and accountability for public funds may cause strain (Ospina et al., 2002). NPOs also operate in environments with the added complexity of multiple stakeholders, coalitions and peak representative groups a common feature (Balser & McClusky, 2005).

It is critical to understand how NPOs understand and engage in the implementation process. Considering the complexities of the relationship and the significant changes through which it has passed in the past 50 years – with the movement of social policy implementation from hierarchies to markets and now networks (Kramer, 2000; Parsons, 1995; Rhodes, 2007b) – it could be assumed that the relationship between NPOs and governments in the process of social policy implementation is not straightforward (Van Slyke, 2002). Many of those who write specifically about the circumstances of NPOs explicitly announce the complexity and potentially deleterious effects of a relationship with government for NPOs (and service users) involved in social policy (Brock, 2003; Lyons, 1997; Schmid, 2003; Smith & Lipsky, 1993). However, systematic attention to implementation via NPOs in the public administration and political science literature – *from the perspective of NPOs* – is still underdeveloped, with most of this literature focusing on the experiences of public servants (Hill & Hupe, 2009; Parsons, 1995).

When Lipsky (1971; 1980) revealed how street level bureaucrats were not the faceless, neutral administrators of social policy, understanding of the process of social policy implementation broadened and led to investigation into how these street level bureaucrats exercise their discretion. Likewise, experience and research in social policy implementation suggests that NPOs do not always necessarily "do as they're told" (Bigelow & Stone, 1995) and that contracts or partnerships are not always what they seem (Gazley, 2008; McGregor-Lowndes & Turnour, 2003). So too, the process of social policy implementation warrants

investigation, not just from the bottom up, but at an organisational level, at the nexus between governments and NPOs.

1.4 Towards a research question: A confessional tale

The research question that informed this iterative, inductive, exploratory, empirical work developed over the course of the project and came to be: *How do NPO leaders understand and manage their relationships with governments in the process of social policy implementation?* I describe the development of my research question here in a brief "confessional" tale (Rhodes, 2007a), despite being "somewhat nervous about the looseness and open ended nature" it reveals of my approach and my research (Van Maanen, 1988, p.74).

The question's development commenced with my initial overarching passion for understanding how policy is informed by practice. Early, excited discussions about my topic with close personal colleagues led to an initial flurry of question framing (Denzin, 2002). These discussions were often elicited by the innocent question: *What is your topic?* As I sought for the right words to describe my "topic", my initial response tended to be that I wanted to know how non-profit provider organisations negotiated their relationships with governments. The replies of two colleagues in particular stayed with me as definitive moments in the development of my question. In one circumstance, my colleague immediately replied with a confidence that was almost audacious – "Well, what government needs to understand is that in order to work with us, they need to know how we work". The other, polar opposite reply was "What do you mean, negotiate? Government tell us what to do and we

have to do it or else we lose our funding." Little was I to know how two such different views would embody my eventual findings.

Such discussions, and a great deal of subsequent reflection, led to the development of a series of research questions throughout my research – refined over time according to Booth and his colleagues' (2003) topic/question/relevance framework. These included, but were not limited to:

> How do people (actors) in non-profit human service organisations understand and engage in the service delivery relationship(s) with government(s)?
>
> How do actors in non-profit-government community service relationships *construct* and *understand* their relationships with governments?
>
> How do non-profits in the community services sector *negotiate* service delivery with government?
>
> How do non-profit leaders in the community services sector *respond* to governments in the process of social policy implementation?
>
> How do workers involved in social policy implementation *manage* the interface between governments and non-profits?
>
> How do leaders of non-profit organisations in the human and community services sector respond to the *day-to-day pressures* of governments as they *negotiate* service delivery?
>
> How do non-profit leaders in the human and community services sector *understand and engage in* their relationships with governments *as they respond to pressures* in the course of social policy implementation.

There were some constants amongst this ever-changing question. I was interested in the *how* of this process. I was also not content to simply listen to people's accounts of this "how", but wanted to *observe* what they did and how they did it. With years of experience in community service delivery I was concerned that, by focusing on *listening* to people's accounts, I would continue to reinforce the preconceived notions I already had about the experiences of this group. By

observing and shadowing, as well as interviewing and reviewing written information, I felt I had a better chance to double check the data I was collecting, generating and interpreting, to challenge my assumptions, and to uncover issues lying beneath the well-rehearsed rhetoric of conflict and discontent that dominates a great deal of the literature (Brown, Kenny, Turner, & Prince, 2000; Rhodes, 't Hart, & Noordegraaf, 2007b; Villadsen, 2009).

Also, I was *not* focused on the workers at the street level of service delivery, but instead wanted to know what had occurred in the process of implementation *before* it reached this front-line stage. I was interested in how social policy implementation was received and operationalised by the leaders of organisations involved with its implementation. Indeed, I was interested not only in how these leaders received social policy in this process of implementation, but also what they did with it once it was received – at an organisational level. It was this nexus, this space between governments and NPOs, that I felt represented a gap in the political science and public administration literature, much more so than the modern day experiences of government and non-government street level bureaucrats which have been investigated elsewhere (Considine & Lewis, 1999, 2003; Maynard-Moody & Musheno, 2003).

1.5 Exploring NPO leaders' experiences in the process of social policy implementation

In answering the research question, my first port of call is the literature. In Chapter 2, I describe the relationships between governments and non-profits in the community services sector, firstly as it is depicted in the implementation literature.

This literature raises questions for me about what I see as an under-representation of non-government actors altogether. I seek to address this by looking to the "third sector" body of literature. Here I discover a predominance of structural explanations for the social policy-related relationships between governments and NPOs. For example, where variations in the relationship between governments and non-profits – from country to country, sector to sector, funding program to funding program and organisation to organisation – are commonly explained by looking to the characteristics of the environment or the characteristics of the organisation.

I pursue a greater understanding of structural explanations by tracing them to their theoretical roots of organisational and institutional theory. Insights from an institutional analysis of interorganisational relationships are neatly consolidated in an analytical framework developed by Christine Oliver (1991), which I describe in depth. The example of Oliver's framework provides an explanation and application of how the relationships between non-profits and governments can be usefully conceptualised. I also provide a critique of studies like Oliver's which purport to focus on organisational characteristics and structural features of their contexts. I also explore other elements of institutional theory which emerge as relevant during the process of the research.

Chapter 3 describes the research design of this study. I articulate the epistemological and ontological foundations of the ethnographic approach I have adopted in my empirical work. I also describe and justify the selection of three particular non-profit organisations as the key cases studied "up close" in this research (Rhodes et al., 2007b). I explain how I collected and generated data and

discuss the methods I used for avoiding the typical pitfalls of ethnography. I critically reflect on and analyse my fieldwork at the three field sites. I describe the "data processing" experience, using NVIVO to code the data, identifying important themes, exploring the usefulness and applicability of varying conceptual frameworks along the way. I describe the process by which I settle on Oliver's framework as an analytic model for the findings. I also elaborate on the heuristic model I developed based on Oliver to assist with initial data processing. Finally, I describe the key processing task of transitioning the raw data into a set of narratives.

I introduce the three cases and participants in Chapter 4. Giving an overview of each NPO, I provide a flavour of each organisation and demonstrate the structural diversity and dominant ethos of the field sites. I supplement this with descriptions of the key characters and a narrative from each site. In Chapters 5 to 9, these non-profits are described further "in their own words", with narratives from each site revealing greater insight into each organisation and the people who lead it. I re-introduce Oliver's framework of analysis in Chapters 5 to 7 and use this framework to help analyse the data.

Oliver's framework provides a useful analytic tool for developing an understanding of the data, however it does not claim to be exhaustive. In Chapter 8, I introduce a range of observations *outside* the Oliver framework appearing to impact on the work of the NPOs in this study. In particular, I address the issue of agency – the role of the NPO leaders in the NPO's response in the process of social policy implementation. I suggest generally that *people matter.* I find suggestions in my

data that, while structural factors such as characteristics of the environment and organisation play a role in determining organisational response, there is still scope for the exercise of agency and leadership.

In Chapter 9 I suggest that the theoretical framework of organisations *as* institutions, as developed by Selznick (1957) emerges as a suitable and revealing way of understanding the experiences of the NPO leaders in this study. The act of bringing in this angle of institutional theory and applying it to the involvement of NPOs in the process of social policy implementation neatly complements, but critically deepens existing institutional understandings of this process. Finally, I suggest research agendas emerging from the findings in this study and discuss practical and policy implications, seeking to give some advice both to governments and non-profits as they strive to work together to implement social policy in Australia.

The key original contribution I make in this thesis is to bring insights developed from a "thick" description of the experiences of NPO leaders involved with social policy implementation to the public administration literature. In doing so I identify an underpinning theme in which the leaders see their NPO as being "not just a tool" of government. This finding has theoretical implications for understanding *how* NPOs engage in the process of social policy implementation from a Selznickian (1957) perspective of institutionalised organisations. I suggest that such a perspective reflects Lipsky's (1980) street level bureaucrat paradigm at an organisational level. In the same way that Lipsky explored how street level bureaucrats "manage their relationship with organizational [sic][5] hierarchy" (Laws

& Hajer, 2006, p.412), I here explore how NPOs manage their relationship with the process of social policy implementation, and discover in the process the importance of being "not just a tool".

A secondary original contribution I make here is in the process through which data analysis occurs. In using Oliver's structural-functional framework as a heuristic for explaining the qualitative fieldwork data, I demonstrate not only the utility and limitations of the framework itself, but the benefits of using it specifically to further deepen analysis and uncover unexpected themes. In this way, the *layers* of findings and analysis described from Chapters 4 onwards thicken and deepen, culminating in the concluding "not just a tool" finding described above. Many relevant findings occur in the process of applying Oliver's framework which point towards and reinforce the significance of the *not just a tool* conclusion. Such findings include, but are not limited to the *active* role the NPOs in this study play in the process of social policy implementation – even when simply complying with government requests or instructions – and the important role played by the leader(s), particularly in interpreting the NPO's circumstances and framing the options for response.

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[1] The use of the term non-profit and NPOs (non-profit organisations) has intentionally been used here despite its difference from the "accepted Australian vernacular" (Barraket, 2008; Casey & Dalton, 2006, p.25) to identify the group of organisations in this study as a subset of community service providers (which include both non-profit, for-profit and government providers), and non-profits (which include organisations far broader than those focusing on social policy implementation). Elsewhere these organisations are described as "Nonprofit community service organisations" (Baulderstone, 2008). For a comprehensive discussion of how such organisations are defined, see Lyons (2001).

[2] I have removed any identifying information from these notes.

[3] There is some debate in the third sector literature about the derivation of NPO leadership – does it come from boards, CEOs or both (see Herman & Heimovics, 1991, 1994; McClusky, 2002; Ospina, Diaz, & O'Sullivan, 2002; Saidel & Harlan, 1998)? This study has an inclusive understanding of leaders, as referring to the "institutional actors" or "entrepreneurs" (Lowndes, 2005; Scott, 2008),

the person or group of persons who are responsible for the day-to-day leadership of the NPO as it negotiates its path through the process of social policy implementation – the executive management team.

[4] Some state/territory/local governments in Australia also directly provide some services in addition to those provided through non-government means, such as therapy and accommodation services for people with disabilities.

[5] Please note I will not subsequently highlight incorrect (American) spelling within quotations – for example, for "organization" (or any derivative of this word), "traveler", "center" or "institutionalization". Instead, the reader can assume that when words such as these have been spelt this way within a quotation, that it is reproduced verbatim from the original source and is not a spelling error.

CHAPTER 2

DESIGN AND DELIVERY, COLLABORATION AND CONFLICT, STRUCTURE AND AGENCY: NPOS AND SOCIAL POLICY IMPLEMENTATION

2.1 Introduction

Seeking to address the research question and its underlying "itches" about the process of social policy implementation and the roles of NPOs in that process, this review of the literature looks first at the broader literature on social policy implementation. I review the standard approaches to describing and understanding social policy implementation and attempt to uncover what these approaches suggest about the role of NPOs. While I find acknowledgement of NPOs or third parties, I do not see evidence of their perspectives in much of this literature. Instead the nexus between governments and NPOs remains a dark patch in this otherwise well-lit academic consideration of social policy implementation. Despite this dark patch, there are still important lessons to be learnt from the implementation literature which I describe.

I find suggestions in the implementation literature of a possible false dichotomy between designers and providers, between policy and implementation. This raises further questions about what is the experience of NPOs in the process of social policy implementation, and I seek further illumination via the literature which delves into the world of these NPO actors. The third sector literature essentially describes the experience of NPOs involved in social policy implementation as vast

and diverse. The predominant narrative is one of conflict between NPOs and governments in which NPOs must struggle to survive and are indelibly and often negatively affected by the relationship. But NPOs are also found to exert their identity and agency. Explanations for the range and diversity of NPO experiences tend to be focused on the organisational and environmental characteristics.

I delve deeper into the underpinning theoretical roots of these explanations, briefly exploring institutional and organisational theory. Such investigation suggests useful frameworks, such as one developed by Oliver (1991), for explaining and understanding the relationship between NPOs and governments. However, this literature also suggests there is "more to the picture" than structural explanations. Leadership and additional aspects of institutional theory such as Selznick's (1957) description of organisations *as* institutions are explored as possible additional approaches which can value-add to the common and typical explanations. I conclude with a brief suggestion of the lofty democratic aspirations to which this research can contribute.

2.2 The context

Implementation is the term given in the political science and public administration literature, to the act or process of implementing a policy: "what happens between the establishment of a government policy and its impact in the world of action?" (O'Toole (Jr), 2000, p.273). Stylised models in which implementation occurs as a part of a policy cycle describe implementation's beginnings as the moment policy becomes law or is given government approval (Althaus et al., 2007; Hill & Hupe,

2009). Social policy travels many paths in its journey from conception to delivery. It moves through an at times lengthy and complicated process to the point where it is received by a service user "on the ground". This is where a working family claim their child-related tax benefit; a woman is supported to move on from a violent domestic situation; a young man with mental illness attends a weekly gardening group at his local community centre; or an older couple receive their daily meals on wheels. A range of federal, state and local government and non-government organisations deliver different types of social policy through a vast array of payments, projects and programs.

Research into the phenomenon of social policy implementation began its life as a cohesive body of literature after a series of studies sought to understand the spectacular failures of a range of "new deal" policies in North America in the 1960s (Hill & Hupe, 2009). One of the earliest attempts to understand implementation was Pressman and Wildavsky's (1974) study tracing the convoluted decision pathways involved in the implementation journey. This study spawned a range of publications examining the fidelity of policy intentions as they were translated into implementation. This first wave of research was later described as the *top down* school of implementation research because of its focus on decisions made at the "top" of the implementation chain being effectively translated into action at the "bottom".

Implementation failure was seen in the top down school as the delivery of services skewed from or different to their original intentions and design (Hill & Hupe, 2003).

Methods to reduce or limit implementation failure were through limiting the number of clearance points involved in implementation, tightly prescribing implementation processes and using rigorous throughput and output measurements to account for such implementation (Kaufman, 1967; Pressman & Wildavsky, 1974). The fundamental basis of this standpoint was a faith in the policy logic formula determined during policy development that such throughputs and outputs would lead to the desired policy outcomes (Parsons, 1995). In this top-down paradigm, the ideal delivery agency was a passive and compliant cog in the wheel of implementation, and if it was not, then it should be (Linder & Peters, 1987). Any consideration to the role of such delivery agencies and their leaders was restricted to identifying and improving their level of compliance.

In response to this top down wave of implementation research, the next phase, described as a *bottom up* approach, delved into the worlds of *street level bureaucrats* – those people responsible for delivering or implementing social policy "who interact directly with citizens in the course of their jobs" (Lipsky, 1980, p.3). This research found that, in the process of delivering services, front line workers engaged in particular coping behaviours and exercised discretion as they dealt with the unpredictability of the circumstances in which they operated. The cumulative effect of these coping behaviours and discretion was that the street level bureaucrats effectively created policy as they enacted it in their ongoing interactions with service users (Hill & Hupe, 2009; Lipsky, 1980).

From this perspective, a response to social policy implementation "failure" was not to increase the level of rigid street level compliance (Hupe & Hill, 2007). Indeed, instead of implementation being about rigid compliance, this perspective saw implementation as "a process which is structured by conflict and bargaining" (Parsons, 1995, p.470) in which street level discretion was an appropriate response to the diversity of service delivery (Hill & Hupe, 2003). Therefore, improving and safeguarding social policy implementation involved consensus building and negotiation, carefully specifying and measuring outcomes, rather than inputs and outputs, engaging street level bureaucrats about how policy should be implemented, facilitating multiple sources of accountability as well as strong professional indoctrination setting baseline standards of appropriate practice (Hupe & Hill, 2007; Maynard-Moody, Musheno, & Palumbo, 1990; Parsons, 1995).

The fundamental basis of this standpoint was that implementation involves discretion as a response to uncertainty and the "unresolvable tensions" (Maynard-Moody & Musheno, 2003, p.157) between abiding by, and discarding "the rules" (Maynard-Moody & Musheno, 2003, p.158). It therefore requires – within limits – individualised decisions made in the moment informed by appropriately trained front line in-the-moment decision makers (Hupe & Hill, 2007; Maynard-Moody & Musheno, 2003).

While the research in this thesis focuses on the leaders of organisations, rather than those "street level" workers, the bottom up wave of literature is important for a number of reasons. The findings of the street level bureaucrat acknowledge the

importance of people in the process of social policy implementation and suggest a role for agency and discretion not just at the street level, but at all levels and stages of the process (Lipsky, 1980). These findings also serve as an important reminder that the design of social policy implementation does not stop once policy is developed, but continues to be influenced and interpreted right to the point at which it is received by the service user or citizen (Hill & Hupe, 2003).

Another academic and practical context in which social policy implementation is understood, emerged in the 1990s with the new public management (NPM) paradigm (Hood, 1995). This approach sees the policy development role of government as "steering", while implementation, or "rowing", is best left to the expertise of implementation organisations who competitively tender for delivery contracts (Osborne & Gaebler, 1992). NPM sees various delivery mechanisms as *instruments* of policy implementation, such as purchasing services from "third party" providers who operate as tools of government (Hood, 2006; Salamon, 2002b). Policy is carefully removed from delivery, purchasing from providing, and private, non-government organisations or quasi-independent government agencies are preferred as more efficient delivery organisations (De Hoog, 1990; Stewart, 1999). Such measures are implemented for many reasons, such as the perils of implementation "capture", where the needs and wishes of delivery organisations and mechanisms became more prominent than those of the policy maker or service user (Baldwin & Walker, 1995; Boyne, 1998).

Criticisms of the NPM approach to social policy implementation suggests that, while it is a suitable approach for services such as garbage disposal, it is problematic to use markets as the systems for delivering complex social services where outcomes measurement is inherently difficult (De Hoog, 1984, 1990; Klijn, 2002; Lyons, 1997). Critics claim that difficulty in measuring provider organisational performance and the "hollowing out" effects on government delivery expertise can make the paradigm inherently flawed (Lipsky & Smith, 1989; Rhodes, 1994; Schmid, 2003; Stewart, 1999; Van Slyke, 2002).

The role and experience of organisations such as NPOs and their leaders begins to surface more so in the NPM paradigm than in the top-down and bottom-up schools – partly because prior to the introduction of NPM, social policy implementation was seen as predominantly within the arena of government alone (Boyne, 1998; Osborne & Gaebler, 1992). The NPM literature acknowledges the active agency of non-government delivery organisations and their leaders with its focus on ensuring and enhancing accountability and compliance in complex social policy implementation supply markets (Mackintosh, 2000; Van Slyke, 2006). Grouped together, the wide range of delivery organisations and their leaders are often seen to understand and manage their relationships with governments in the process of social policy implementation as utility-maximising agents engaged in a principal-agent relationship (Bovens, 1990). The empirical implementation research that accompanies this paradigm focuses on assessing the various management mechanisms, including an economic focus on principal-agent matters in contracting, provider accountability and project management (Brown, Potoski, & Van Slyke,

2006; Gazley, 2008; Gooden, 1998; Jensen & Stonecash, 2004; O'Flynn & Alford, 2008; Osborne, 1997; Reeves, 2008; Romzek & Johnston, 2005).

Yet another academic context to emerge in this lineage of social policy implementation via hierarchies and markets, is that of networks (Kickert, Klijn, & Koppenjan, 1997; Lowndes & Skelcher, 1998). This large, disparate and growing body of work is itself a part of a larger academic movement away from the notion of a state-centric government to the concept of decentred governance and its associated processes (Bevir & Rhodes, 2006b; Edwards, 2002; Kooiman, 2000; Laws & Hajer, 2006; Milward & Provan, 2003; Pierre, 2000; Powell, 1990; Rhodes, 1996, 2000, 2007b). For implementation, this approach has had a variety of impacts. The early networks literature provided important signposts of the movement from government to governance and heralded the increased role of non-government actors in governance (Kickert et al., 1997; Rhodes, 1997). However, this literature did not initially describe the experiences of non-government actors, except when providing public administrators with advice on how to manage these networks (Agranoff & McGuire, 2001; Barraket, 2008; Kickert et al., 1997; Klijn, 2002; Milward & Provan, 1998, 2003).

The lack of focus on the experiences of non-government actors results in a poor definition of their roles in networks (Milward & Provan, 1998). Much of the associated empirical research into implementation, encompassing network mapping and game theory based enquiry, appears to perpetuate NPM's assumption that NPOs and delivery organisations in general are utility maximising agents, albeit

operating in a more complex and power-shared, game-like environment (Kickert et al., 1997; Milward & Provan, 2003; Thomson & Perry, 2006). Implementation failure is commonly understood as being due to problems arising from stakeholder management (meaning government's management of non-government stakeholders) (Agranoff, 1999). Recommendations to avoid implementation failure therefore include better anticipation of the relationship challenges involved in implementation and increasing the skills of public servants in network and performance management (Agranoff, 1999; Kickert et al., 1997; Klijn & Koppenjan, 2000; Mulgan & Lee, 2001).

While the networks literature continues to provide valuable advice and insights, it remains – as might be expected for literature in the academic domain of public administration – focused predominantly, although not exclusively, on the perspectives of public administrators (see for example, Agranoff, 2006; Feiock & Andrew, 2006; Keen, 2006; Klijn & Koppenjan, 2000; Lundin, 2007; O'Toole (Jr), 1997). The "inter-organizational twilight zone" (Hjern, 1982, p.308) apparent in the nexus between NPOs and governments remains one of the "links gone missing in public administration conceptualizations of policy formation" (Hjern, 1982, p.302).

In Australia, it is in the public administration *practitioner* literature in which some hints about the experiences and perspectives of "third party providers" in the process of social policy implementation are emerging. There is a recent growing trend for public administration practitioner literature to include the voices of NPO elites who describe positive experiences with collaborative, networked governance

in the process of social policy development (see for example Head, 2007; Jackson, 2003; O'Flynn & Wanna, 2008). In part this reflects a renewed focus on civic engagement in which NPOs from the community sector are seen "sometimes as a proxy for the 'community'" (Barraket, 2006, p.6).

Such indications of an increase in networked approaches to social policy have led some to claim that:

> the death knell for NPM has been rung and the competitiveness and tensions caused by contracting regimes is being replaced by new collaborative partnerships (Casey & Dalton, 2006, p.28).

However, these experiences contrast starkly with claims that the era of networked and collaborative governance has *not* been experienced by all and that the "rhetoric of collaboration and partnership between government and the community sector is not necessarily matched by policy and action" (Hendriks, 2008; Keast & Brown, 2006, p.41; Keen, 2006; Walker, O'Toole (Jr), & Meier, 2007). Some Australian authors claim this was particularly so in the decade of former Prime Minister Howard's leadership, renowned for its closed approach to collaboration, especially with social welfare advocacy groups (Barraket, 2008; Hancock, 2006; Maddison & Denniss, 2005; Maddison & Edgar, 2008; Melville, 2008; Onyx, Dalton, Melville, Casey, & Banks, 2008; Staples, 2006, 2008).

Positive elite experiences are also contrasted by a series of government reports, which suggest their networked world is not mirrored in the day-to-day NPO-government social policy implementation relationship. Instead, this relationship is characterised more by command and control than collaboration, suggesting it is

more "where you are that matters" (Auditor-General of Queensland, 2007; Australian National Audit Office, 2006; Keast & Brown, 2006; Walker et al., 2007).

I believe that through the NPM and networked governance paradigms, researchers in the field of public administration and political science are beginning to acknowledge some of the complexity in the picture for third party providers – that they exist, and have a stake in the process of social policy implementation. However, I am concerned about what I see in this literature as a possible *false dichotomy* between the policy implementers and the policy designers. This "real devil – the divorce of implementation from policy" (Pressman & Wildavsky, 1974, p.135) is an age-old problem in the implementation literature, which I believe persists, unresolved although modernised, through to today. Such an issue is important to explore, of course, "because how one defines the implementation problem shapes both the analysis of key issues in the process and the recommendations that arise from the analysis" (Cline, 2000, p.551).

In its contemporary manifestation, I see the false dichotomy between policy implementation and design as being thus: the involvement of non-government third parties in policy design is understood in the social policy implementation literature as a feature of collaborative governance, the design phase of social policy. NPO involvement occurs when NPOs have been invited, for example, onto a taskforce to assist in the design of particularly contentious or complex policy (Jackson, 2003). This positions a core group of elite NPO leaders as selected participants in the design "phase" of social policy implementation. Here, NPOs are

welcomed as experts in provision and their input and support is sought to strengthen the effectiveness and legitimacy of social policy implementation (Hendriks, 2008).

This approach echoes the underpinning assumptions of the first wave of social policy implementation research, the top down school, in which the solution to implementation failure is to get the policy logic right in the first place. In this, its modern manifestation, the "solution" is found by including stakeholders such as NPOs in the design phase, acknowledging the multi-stakeholder findings of the NPM and networks literature. Once the decision about policy design is made, the assumptions of NPM appear still to apply – where the implementers are considered agents in the principal-agent relationship with government, and the ideal relationship is that of compliance. However, one of the fundamental lessons of the bottom up school is that implementation *design* does not necessarily *end* when policy leaves the hands of the designers and that, while uniformity and standardisation is sometimes a critical component of fair and equitable social policy implementation, passive compliance is not necessarily possible or appropriate in *all* social policy implementation (Hill & Hupe, 2009).

How is it then, that NPOs, considered experts with essential input during one phase of the process of social policy implementation, simultaneously then exist as agents, tools or instruments of government social policy in the implementation phase? What is involved in the process of implementation in the space between where it is designed and where it is implemented? What is the role of NPO leaders in this

process? How do NPOs and governments *muddle through* (Lindblom, 1959, 1979) the process of social policy implementation as it occurs? From this perspective, the experience of NPOs and their leaders in the process of social policy implementation, at the nexus between NPOs and governments, is unknown. I see this is as the gap in the implementation literature to which this study seeks to contribute.

2.3 The actors

While the experience and perspectives of NPOs involved in the process of social policy implementation is not so much a focus of the implementation literature, it *is* a focus of the "third sector" literature – an interdisciplinary, empirical, theoretical and opinion-based body of literature investigating third sector organisations such as non-profit and voluntary organisations. From this body of literature stem two distinct caricatures of the relationship between NPOs and governments in the process of social policy implementation: that of collaboration and conflict (Boris & Steuerle, 1999; Najam, 2000).

From the conflict perspective, NPOs are portrayed as understanding their relationship with government as a necessary evil, a financial means to their social justice ends. Here, NPOs manage their relationship with government as a "delicate dance" (Brock, 2003, p.1) occurring in "the lion's den" (Maddison & Edgar, 2008, p.188), in which NPOs "sup with the devil" (Saunders & Stewart-Weeks, 2009) resulting in negative consequences for NPOs such as mission drift and co-option (Guo, 2007; Keen, 2006; Spratt, Shucksmith, Philip, & Watson, 2007). From the

collaboration perspective, the relationship is understood as a pooling of complementary and supplementary expertise and resources, managed through trust and reciprocity (Brown & Troutt, 2004; Gidron, Kramer, & Salamon, 1992; Salamon, 1995; Shaw & Allen, 2006; Young, 1999). Recent empirical research suggests that a nuanced understanding of the relationship is also appropriate, in which the relationship is dynamic, changing and incorporates elements of both collaboration *and* conflict (Benjamin, 2008; Ebrahim, 2002; Lowndes & Skelcher, 1998; Onyx et al., 2008; Ramanath, 2009).

NPOs and governments working together in social policy implementation appear to need to balance a number of oppositional forces. Universality and specialisation, efficiency and effectiveness, and autonomy, dependence and *inter*dependence can all pull the government-NPO relationship in different directions (Boris & Steuerle, 1999; Brock, 2000, 2003; Saidel, 1991; Smith & Lipsky, 1993). For example, accepting government funding through service delivery contracts can be accompanied by rigid co-branding requirements or admission policies over which the NPO has no influence or control (Brown & Troutt, 2003). The sheer pragmatics of complying with accountability mechanisms associated with government contracts – staff time and purchase of appropriate information technology resources – can pull NPO resources "from service delivery to administration" (Baulderstone, 2008, p.6; Ryan, Newton, & McGregor-Lowndes, 2008).

Much of the third sector literature over the past two decades provides descriptions of relationships between governments and NPOs which reflect and suggest the

broader NPM context (Baulderstone, 2008; Carson & Kerr, 2003; Keen, 2006; Lipsky, 1990). Here, NPOs do indeed experience their role in social policy implementation as "tools" (Smith & Lipsky, 1993), operating within a control and command relationship with government (McGregor-Lowndes, 2008). This picture is sometimes set against a backdrop of previous relationships including "uncontested historical" arrangements (Baulderstone, 2008, p.4), in stark contrast to the contemporary regimes of increased accountability and decreased funding (McGuire & O'Neill, 2008; Walden, 2006). When framed in this light, it is not surprising that the key role of NPO leaders is to guide NPOs through organisational change and management strategies aiming to maintain organisational survival under these conditions (Hancock, 2006; Hodge & Piccolo, 2005; Ospina et al., 2002).

In this context the literature highlights the significant impact that relationships with governments can have on NPO structure and function as they engage in the process of social policy implementation (Baulderstone, 2008). While the evidence is mixed (Rawsthorne, 2005), some of the consequences of the relationships between NPOs and governments include isomorphism, resulting in a convergence of values or delivery strategies (Considine, 2003; DiMaggio & Powell, 1983, 1991; Leiter, 2005; Mulgan, 2005). This is where non-profits adapt "to mirror and imitate characteristics of how their public [or private] sector counterparts operate and are structured" (Brinkerhoff & Brinkerhoff, 2002, p.11). The precarious funding which is often described as a feature of the relationship between NPOs and governments is associated with negative influences on the ability of NPOs to strategically plan as well as to attract and retain staff (Akingbola, 2006; Brown & Troutt, 2003;

Crittenden, 2000; Gronbjerg, 1991). Increased accountability and the prescription of funding is described as having a negative impact especially on NPO autonomy and discretion, which many argue compromises NPO participation in the democratic process (Evans, Richmond, & Shields, 2005; Guo, 2007; Nevile, 2009; Walden, 2006).

Responses to these changes have included increased and decreased professionalisation of staff, changed roles of NPO leaders and changed composition and role of NPO boards (Ebrahim, 2002; Guo, 2007; Hodge & Piccolo, 2005; Smith & Lipsky, 1993). Through merger and by forming hybrid structures that have features of public, private for-profit and non-profit organisations, non-profits have also been found to "cope" with the "conditions of uncertainty" accompanying the change of paradigm to NPM and its associated processes (Evers, 2005, p.745; Golensky & DeRuiter, 1999; Harris, Harris, Hutchison, & Rochester, 2002; Kramer, 2000). Non-profits have responded to shrinking revenue from government by expanding their service or client base, networking or employing a "political frame" and operating "entrepreneurially" to secure resources (Akingbola, 2006; Alexander, 2000; Heimovics, Herman, & Coughlin, 1993; Saidel & Harlan, 1998; Wagner & Meicek, 2005; Wagner & Spence, 2003).

In sum, it appears that the experiences for NPOs involved in social policy implementation is difficult and that NPOs must react and respond with a survival-at-all-costs approach. But the picture for NPOs who engage with governments is not completely bleak. In contrast to this reactive picture of isomorphism where

NPOs are "grappling with the challenges" (Akingbola, 2006, p.268) and "weathering the storm" (Lune, 2002) through managing "paucity" (Wagner & Spence, 2003). There is also a small body of empirical literature which identifies an alternative, more proactive set of NPO responses (see for example, Provan, Isett, & Milward, 2004; Yanacopulos, 2005; Young, 2001).

For example, NPOs have also been found to respond to pressures to conform by intensifying the strength with which they exert their own independent identity and mission and placing pressures on government decision makers (Barman, 2002; Chew, 2006; Frumkin & Andre-Clark, 2000; Lipsky & Smith, 1989; Schmid, Bar, & Nirel, 2008; Vanderwoerd, 2004). These empirical articles suggest an active role for the NPO and its leader, balancing the at times conflicting pressures from governments, boards, professions and client groups and the competing requirements and pressures to which they are expected to conform (Balser & McClusky, 2005; Ospina et al., 2002; Provan et al., 2004; Spratt et al., 2007; Woodward & Marshall, 2004).

Here, NPOs and their leaders are involved in negotiating (and renegotiating) not just survival, but a legitimate role, in a setting which incorporates the complexities of multi-stakeholder collaboration in which "traditional boundaries between sectors are blurring" (Barraket, 2008, p.4). Such involvement suggests the network governance perspective, and provides academic space to explore the nuance and role of NPO agency and leadership and a recognition that the NPO acts on the environment as well as being acted upon by the environment (Dinham & Lowndes,

2008). For example, when looking at the back and forth negotiation of accountability between governments and NPOs involved in social policy implementation, Benjamin (2008) finds that, in certain circumstances, NPOs not only challenge funder-initiated accountability frameworks, but also seek to change these frameworks.

In summary, the literature focusing on the experiences of the actors – NPOs and their leaders – confirms the inferences and suggestions of the implementation literature and at times gives a detailed depiction of their experiences in the process of social policy implementation. In addition to filling out the blanks from the social policy implementation literature, the third sector literature also points out the potentially profound impacts for the structure and function of NPOs who engage in social policy implementation and their subsequent relationship with government. The experience for NPOs appears to be far from uniform (Bielefeld, 1992; Johansson, 2003).

2.4 Structural explanations

Why is it that NPOs engage in the process of social policy implementation in a range of ways, sometimes passively conforming to changing pressures from government and sometimes resisting (and all responses in between)? Why do some organisations exert their identity while others simply absorb new accountability measures into their existing reporting frameworks? Questions such as these are typically explored in the third sector literature through structural explanations in which the behaviour and response of NPOs to their involvement in the process of

social policy implementation is explained according to features of the organisation and environment (Bielefeld, 1992; Blau & Rabrenovic, 1991; Chew, 2006; Chew & Osborne, 2008; Cho & Gillespie, 2006; Foster & Meinhard, 2002; Froelich, 1999; Galaskiewicz & Bielefeld, 1998; Guo & Acar, 2005; Heimovics et al., 1993; Hodge & Piccolo, 2005; Kramer, 2000; Leiter, 2005; Markham, Johnson, & Bonjean, 1999; Provan et al., 2004; Saidel, 1991; Schmid, 2001; Schmid et al., 2008; Smith & Gronbjerg, 2006; Smith & Lipsky, 1993; Wagner & Spence, 2003; Yanacopulos, 2005).

Often, explanation occurs with specific reference to the basic tenets of organisational (resource dependence) and institutional theory (Boin, 2001; DiMaggio & Powell, 1983, 1991; Meyer & Rowan, 1977; Pfeffer & Salancik, 1978; Rhodes, Binder, & Rockman, 2006a; Scott, 2008; Selznick, 1957). Even when organisational and institutional theories are not mentioned, structural explanations in the third sector literature replicate the basic tenets of these theories. For example, seminal authors Smith and Lipsky (1993) develop a typology of NPOs. The first type of NPO is the "traditional social service agency... founded by affluent civic leaders... less dependent on government funds... offer[ing] many different services and programs" (Smith & Lipsky, 1993, p.38).

The second type of non-profit is described by Smith and Lipsky as one which was established soon after the 1970s and received funding via government contracts early in its organisational life (Smith & Lipsky, 1993). The third type "is the agency founded in response to unmet... community needs... started and staffed by

volunteers or underpaid workers out of strong personal commitments... shoestring operations built on shaky financial grounds" (Smith & Lipsky, 1993, p.39). The explanatory strength of these types of NPOs is clearly articulated by Smith and Lipsky:

> These distinctions are important because they suggest that different types of nonprofits are affected by government funding priorities in different ways. The most pronounced shifts and the greatest conflicts with government occur among those agencies that initially resemble government least (Smith & Lipsky, 1993, p.40).

This explanation closely echoes the institutional concept of *isomorphism* in which organisations are drawn to similar structure and function, influenced by predominant organisations in the field (DiMaggio & Powell, 1983).

Organisational characteristics reported in the third sector literature as important in influencing the actions and responses of NPOs in the process of social policy implementation include organisational size and age, annual income, capacity, mission and board structure (Blau & Rabrenovic, 1991; Chew, 2006; Chew & Osborne, 2008; Fredericksen & London, 2000; Ospina et al., 2002; Tucker & Sommerfeld, 2006; Wagner & Meicek, 2005). The content of the NPO's work is also considered an obvious explanatory feature of its relationship with government – for example whether the NPO is oriented towards advocacy or service delivery (Schmid, 2009), or its field of operation, such as health, home care, disability services (Guo & Acar, 2005).

Emulating the assertion of Pfeffer and Salancik (1978) – the founding authors of resource dependence theory – "that to understand organizations, it is necessary to

understand the external constraints they face" (p.225), third sector authors also focus their explanations for NPO activity on the environment in which they operate. For example, Lyons, the well-recognised Australian NPO scholar, centred his seminal 2001 publication around the funding structures under which NPOs were financially supported (Lyons, 2001). In doing so, Lyons effectively suggested that how NPOs respond to their relationships with government fundamentally depends on the funding structures within which they are embedded.

Features of the environment considered or found to be important in explaining an NPO's engagement with social policy implementation include its funding sources, the type and amount of service supply competition it faces and its history in the sector (Akingbola, 2006; Brown & Troutt, 2004; Chew, 2006; Crittenden, 2000; Guo, 2007; Guo & Acar, 2005; Schmid et al., 2008; Wagner & Meicek, 2005; Yanacopulos, 2005). Third sector organisations are regularly compared across countries and regimes, to see the way in which broader socio-legal structures influence the diversity and operation of NPOs (Anheier & Seibel, 1990; Salamon, 2002a; Vincent & Harrow, 2005; Young, 1999).

In essence, the combination of resource dependence and institutional theories, as commonly applied in the third sector literature, suggest that organisational behaviour and response can be predicted by a range of structural factors. Bringing together organisational and institutional theoretical literature, Oliver (1991) provides a particularly useful framework for understanding organisational response to institutional pressures (Provan et al., 2004; Scott, 2004). Because Oliver's

framework is a useful operationalisation of both resource dependency and institutional theories, and because of its successful application in previous NPO research (Akingbola, 2006; Alexander, 2000; Balser & McClusky, 2005; Barman, 2002; Benjamin, 2008; Bigelow & Stone, 1995; Flack & Ryan, 2003; Galaskiewicz & Bielefeld, 1998; Guo, 2007; Johansson, 2003; Provan et al., 2004; Ramanath, 2009; Schmid, 2001), I draw heavily on it as an analytical tool for my data from Chapter 5 onwards. Thus it is important to describe it in some detail here.

Oliver's framework

Oliver (1991) identifies five types of organisational response to institutional pressures. She describes the response repertoire of organisations as more than passive conformity or isomorphism to their environments, but as consisting of a range of responses including defiance, manipulation, avoidance, and compromise, as well as acquiescence. Oliver sees these organisational responses as existing on a continuum from compliance to resistance, where acquiescence is the most compliant response, and manipulation is the most resistant response.

According to Oliver (1991), ten "institutional factors" – features of the environment and its pressures – determine and therefore predict whether an organisation will respond via acquiescence, defiance or any of the five strategic responses. I use the term "predictive antecedents" to describe these institutional factors. The ten predictive antecedents are: (1) the number of constituents involved and (2) the extent to which the organisation is dependent on these constituents; (3) the level of constraint imposed on the organisation's discretion; (4) the level of consistency

between institutional pressures and the goals of the organisation; the levels of (5) uncertainty and (6) interconnectedness in the environment; (7) the extent to which pressures are generally and diffusely accepted; (8) the level of legal coercion involved in exerting the pressures; and the level of (9) legitimacy and (10) economic gain to be made from compliance.

Oliver (1991) defines each predictive antecedent not as an either-or feature of the environment, but instead as something which might exist in high, moderate or low levels. For example, the level of uncertainty in the environment could be low, high or anywhere in-between. Oliver also predicts particular causal relationships between the antecedents and responses. For example if there is a high level of uncertainty in the environment, then Oliver's framework suggests that organisational response is likely to be less resistant. If there were a large number of constituents involved, then Oliver would suggest that organisational response is likely to be more resistant. In this way, Oliver sees each predictive antecedent as having either direct or inverse correlation with the level of resistance in the organisation's response.

The correlation relationships are hypothesised by Oliver based on her combination of neo-institutional and resource dependence theories. Oliver particularly focuses on the interplay between the homogenising forces described in institutional theory and the active role of managing external dependencies described in resource dependence theory. For example, Oliver's interpretation of resource dependence theory sees the environment as consisting of those who control resources

important for the organisation's survival, to which the organisation is linked via resource exchange and which it responds to through active management. Oliver's description of institutional theory is that the environment consists of those who shape and enforce sanctioned norms, which place isomorphic pressures on organisations, to which they respond with conformity in order to survive. Therefore, for example, in a situation with only very few stakeholders who all hold similar expectations of an organisation, the organisation is likely to conform to those expectations (as suggested by institutional theory). However, in a circumstance with multiple stakeholders exerting a range of conflicting expectations on an organisation, Oliver predicts the organisation will *not* conform, partly because it cannot, and partly because – as suggested by resource dependence theory – it manages the conflicting expectations according to what best suits its needs.

Oliver (1991) brings together all the elements of the framework into a complex predictive-matrix which suggests, in effect, a range of prediction-profiles for the various organisational responses. For example, Oliver predicts that acquiescence will occur when an organisation is likely to gain high levels of legitimacy and economic gain from compliance; when there is a low number of constituents or stakeholders on whom the organisation is highly dependent; when the institutional pressures are consistent with the goals of the organisation and the level of constraint on organisation's discretion is low; when there is a high level of legal coercion involved in exerting the pressures and these pressures are generally and diffusely accepted in the field; and when both the levels of uncertainty and

interconnectedness are high (Oliver, 1991). A drawback of Oliver's work is its focus on the characteristics of institutional pressures and that it does not incorporate organisational or other characteristics.

As mentioned above, Oliver's framework has featured in the work of many third sector researchers (Akingbola, 2006; Alexander, 2000; Benjamin, 2008; Flack & Ryan, 2003; Galaskiewicz & Bielefeld, 1998; Guo, 2007; Ramanath, 2009; Schmid, 2001). Some have specifically built on Oliver's framework (Balser & McClusky, 2005; Barman, 2002; Bigelow & Stone, 1995; Johansson, 2003; Provan et al., 2004) while others have applied it directly to organisational responses outside the non-profit sector (see for example, Clemens & Douglas, 2005; Julian, Ofori-Dankwa, & Justis, 2008; Milliken, Martins, & Morgan, 1998). One study entitled *Why Don't They Do What We Want? An Exploration of Organizational Responses to Institutional Pressures in Community Health Centers* [sic] applies Oliver directly to NPOs involved in social policy implementation (Bigelow & Stone, 1995).

Using a case study approach, Bigelow and Stone (1995) traced the history of eight NPOs providing government funded community health services as they responded to pressures for funding cuts by their government funders. These authors found a variety of non-profit responses to these imposed government budget cuts, not just conformity (Bigelow & Stone, 1995). The other types of response found included failed conformity, where the non-profit attempted to reduce its budget but failed and was declared bankrupt, as well as passive and active resistance. One NPO also demonstrated what Bigelow and Stone described as "symbolic compliance"

(identical to Oliver's compromise response), where the NPO made "efforts to comply sufficiently to maintain legitimacy without losing support from other internal or external constituencies whose interests and expectations diverged from those of the funding source" (Bigelow & Stone, 1995, p.185).

As well as the influence of factors identified within Oliver's framework, Bigelow and Stone (1995) also identify other features that impact on the NPO response of the cases examined in their research. These features include the skills and values of the non-profit administrators and leaders, the internal relationships within the non-profit, the history of the relationship between the non-profit and funder, and the relationships between the non-profit and other organisations. Bigelow and Stone's (1995) study both demonstrates the usefulness of Oliver's framework for qualitative investigation into the actions and responses of NPOs in the process of social policy implementation as well as implying there is more to the explanatory picture than structural explanations expect.

2.5 More to the explanatory picture: Agency via leadership in institutionalised settings

While Oliver's framework provides a comprehensive picture of organisational response, even structurally based theories such as organisational and institutional theories typically recognise and acknowledge the role of agency (Scott, 2008). Indeed, the importance of individual agency in the social policy implementation literature has been already discussed – through, for example, the roles of policy elites and street level bureaucrats. Therefore, it would be remiss *not* to seek out

and explore the way in which such agency plays a role in organisational behaviour and response according to the third sector, institutional and organisational explanatory literatures.

Typically, in these literatures, the role of individual agency is understood through the actions and behaviours of organisational leaders. A review of the third sector empirical literature incorporating leadership reveals that NPO leaders have been found to have an impact on organisational direction and ultimate survival (Stone, Bigelow, & Crittenden, 1999). They do this through setting organisational mission and strategic directions according to a balance of the various stakeholder agendas and priorities, balancing innovation and stability within the broader context of demand and supply (Brown & Moore, 2001; Heimovics et al., 1993; Jaskyte, 2004; Moore, 1995; Ospina et al., 2002; Rechtman, 2006).[6]

NPO leaders can have an impact on the organisation's networks, relationships and collaboration with other organisations (Goldman & Kahnweiler, 2000; Galaskiewicz and Shatin, 1981, cited in Stone et al., 1999; Wagner & Meicek, 2005). They do this, for example, by operating as boundary spanners between NPOs and governments to foster trusting, respectful and cooperative relationships in which "accountability is organic, and organizations feel supported in their mission but not controlled" (Brown & Troutt, 2004, p.5). For example, Ospina and her colleagues (2002) highlight the importance of how NPO leaders define the "community" to whom they are accountable in determining the NPO's activities.

Tracing suggestions such as the importance of leadership to their empirical and theoretical roots is a daunting task, for the general body of leadership literature is vast (Burns, 1978; Hermann, 1986). Leadership literature as it relates specifically to leading NPOs is more a discrete field of which a majority focuses on providing NPO managers with advice about running their organisations (see for example, Drucker, 1990; Herman, 1994). Such advice consists of information about, for example, "building donor constituency" (Drucker, 1990, p.65), "scanning and analysing the external environment and its potential impact" (Courtney, 2002, p171) and developing "board-centered leadership skills" (Herman & Heimovics, 1994, p.141).

This body of literature also incorporates a small but growing sub-set of empirical and explanatory social science research (Powell & Steinberg, 2006).[7] Unfortunately, apart from a couple of notable exceptions (see, for example, Schmid, 2006, 2009; Wallis & Dollery, 2006) theory driven accounts of the role of leaders in NPOs are still uncommon, and mostly have not been empirically explored. Like the Bigelow and Stone (1995) study mentioned above, the role of leadership in empirical third sector research tends to be uncovered in the process of looking more generally at the operation of NPOs.

While the third sector empirical literature describes findings suggesting that leaders and their actions are important in determining organisational behaviour and response, the institutional theory literature makes some suggestions about *why* this is so. Institutional theory, a vast and interdisciplinary field (Rhodes et al., 2006a), points out that organisations and their leaders not only *respond* to their

environments (as described above) but also act *on* their environment (Lowndes, 2005; Pfeffer, 1997; Pfeffer & Salancik, 1978). Neo-institutional theory in particular asserts that legitimate practices in highly institutionalised environments are socially defined, and therefore organisations seek to act upon and engage with these environments as a way of being involved in the definition of these benchmarks of legitimacy (March & Olsen, 1989; Meyer & Rowan, 1977).

Social policy implementation does indeed often occur in a setting in which many aspects of effectiveness are difficult to quantify and measure (De Hoog, 1984; Mackintosh, 2000; Van Slyke, 2006). In this way, "nonprofit organizations operate in environments characterized by uncertain relationships between means and ends" (Bigelow & Stone, 1995, p.183). Social policy goals and outcomes, legitimate practices (and their prices) may be contested, long term, vague and less directly related to single and specific inputs than they are to a constellation of inputs (Ebrahim, 2002; Llewellyn, 1998) – or even be "independent of actual goal attainment or effectiveness" (Alexander, 2000, p.290; Meyer & Rowan, 1977; Perrow, 1973). As noted above (in 2.3) NPOs do also act on their environments to influence the benchmarks of legitimate practice in social policy implementation (Benjamin, 2008). An entire subset of the third sector is devoted to advocacy and lobbying. Although, as the lesson of the street level bureaucrat would suggest, it is not just in advocacy and lobbying that social policy implementation is influenced and designed as it is interpreted.

For NPOs involved with the process of social policy implementation, operating within a highly institutionalised environment also emphasises that supplying legitimate, socially sanctioned and endorsed services can be just as important as providing services proven to be effective (Meyer & Rowan, 1977; Ospina et al., 2002). For example, Ebrahim (2002) found that for the NPOs he studied, it was important to provide monitoring and regular reporting to funders – even though this reporting "may never actually be used for decision making but is collected to lend legitimacy to an organization's activities" (Ebrahim, 2002, p.103). In this way, data and information sharing are decoupled with the core work of the NPO and operate with "symbolic value in the sense that they function to legitimate the organization's activities while also preventing unwanted funder interference" (Ebrahim, 2002, p.104). This example shows the subtle ways in which NPOs exert their agency in their day-to-day activities, without necessarily needing to engage in "advocacy" or "lobbying" activities. In this way, the NPOs and their leaders act as *institutional entrepreneurs* (Lowndes, 2005; Scott, 2008).

Early institutional theory also suggests the importance of organisations *as* institutions – or institutionalised organisations. The classic author in this stream of institutional theory is Selznick (Scott, 2008; Selznick, 1949, 1957). Selznick (1957) defines an institutionalised organisation as one which is "infuse[d] with value beyond the technical requirements of the task at hand" (p.17). According to Selznick, institutionalised organisations, have:

> a distinctive identity... values, ways of acting and believing that are deemed important for their own sake... [Therefore] self maintenance becomes more than bare organisational survival; it becomes a struggle to preserve the uniqueness of

> the group in the face of new problems and altered circumstances" (Selznick, 1957, p.21).

Because of their distinctive identity and their infusion with value, institutionalised organisations tread a fine balance between valuing their own autonomy with their capacity to be adaptive and to respond to changes in the environment (Perrow, 1973). They are usually willing to sacrifice short-term losses for long-term goals and they operate with a specifically tailored "adaptive belief system" (Boin & Christensen, 2008, p.273) – or a "logic of appropriateness" (March & Olsen, 1989). Such an adaptive belief system, logic of appropriateness, or dominant culture involves a range of norms or shared assumptions about how the world operates and how the organisation, and its workers, fit into the world. The norms define the organisation's distinctive competence, operational processes and acceptability to internal and external stakeholders. Such norms can be regulative (involving laws and legally sanctioned norms), normative (involving appropriate or morally governed norms) or cognitive (embedded, taken-for-granted norms) (Scott, 2008).

In particular, existing as an institution sets an organisation apart from being "an expendable tool, a rational instrument engineered to do a job" (Selznick, 1957, p.5). In an institutionalised organisation, the firmly established logic of appropriateness

> define what constitutes appropriate action... [and mean that] rather than acting out of overt rational self-interest, individuals are said to behave according to their sense of duty and obligation as structured by prevailing rules and routines (Rhodes, Binder, & Rockman, 2006b, p.xvi).

The process by which an organisation becomes an institution is not necessarily straightforward, all-or-nothing or immediate, but moves through phases (Boin &

Christensen, 2008). Thus, "organizations vary in their degree of institutionalization " (Scott, 2008, p.22). An organisation is less likely to be highly institutionalised if it has precise and unambiguous goals and technologies. In this "developmental context" (Selznick, 1957) different leadership roles are emphasised at different stages of its institutionalisation. Selznick describes specific leadership tasks for those leading organisations that are institutions, which include setting and defending the vision of the organisation, recruitment and training of personnel (especially the organisation's elites) who embody the values of the organisation, defining mission and purpose through a "distinctive competence" (p.87), defending integrity and ordering internal conflict.

Since Selznick initiated this stream of institutional theory, the idea of organisations as institutions has typically been applied to large public organisations, which are often highly rule-bound bureaucratised agencies, characterised by embedded hierarchies and inflexibility. However, I am interested in the simple notion of a values-infused organisation, with a distinct culture, striving to achieve or believing itself to have a particular type of legitimacy because I see this as a fitting description for many NPOs. Indeed, many authors writing in the third sector literature describe NPOs as *inherently* value-embedded and some suggest this is part of their distinctive comparative advantage (Billis & Glennerster, 1998; Cheverton, 2007; Nevile, 2009; Rothschild & Milofsky, 2006). For example, Frumkin and Andre-Clarke (2000) suggest that the "expressive, noninstrumental dimension... [is] what separates the nonprofit sector from other social sectors" (p.142).

However, I find it an acutely uncomfortable mis-match to conceptualise NPOs as institutions – especially considering the indelible normative association I have between *"institutions"* and *"evil"* because of my knowledge of dehumanising whole-of-life services for people with disabilities, as described in Chapter 1. I am not the only one with this discomfort: the desirability of institutions is debated with many authors acknowledging the "dark side" of institutions, citing the Nazi SS and Hoover's FBI (Boin, 2001). This sinister element of institutions is, however, in no way a necessary feature of their set of characteristics (Perrow, 1973). Indeed, Selznick's original concept of highly institutionalised organisations sees them more as organisations with significant, important, resilient, adaptive and moral bodies. For Boin and Christensen (2008),

> institutions enjoy a high level of general support: An institution is widely accepted and taken for granted... Its way of working has become its trademark. It is valued not only for what it *does* but what it *is*... a vessel for societal aspirations (Boin & Christensen, 2008, p.274).

Normative judgements about the value of institutions aside, the involvement of institutions in social policy implementation and of leaders in institutions has particular implications. Consider, for example, principal-agent approaches to implementation via third parties as it has been described above in 2.2. A key assumption of the NPM approach to social policy implementation via "third parties" is the notion that these third parties *are* "tools" of government. Yet, for an NPO to be a tool or instrument delivering government's intentions is the organisational antithesis of it being a self-determining, autonomous institution. It would seem

that such incongruous operating paradigms may further complicate the already complicated process of social policy implementation.

Both the role of leadership and the implications of NPOs as institutions suggest there is much more to the explanatory picture of how NPOs are involved in the process of social policy implementation than only structural explanations. What is lacking, however, is a comprehensive exploratory empirical investigation into *how* such explanations combine to form a cohesive theoretical approach drawing together the multiple and varying streams of this disparate literature. It is this *how* question, about *how* NPOs are involved in the process of social policy implementation, *how* structural explanations play a role, and *how* other aspects blend in to this overall picture that I seek to address in this thesis.

2.6 Conclusion

It can seem that understanding of the role and engagement of NPOs in social policy implementation is an experience involving a confusing blend of a limitless number of approaches, frameworks and theoretical foundations. The research presented in this thesis seeks to focus on the mundane realities of day-to-day NPO involvement in the process of social policy implementation. However, such "mundane" research can speak to lofty questions of democracy. Bringing together this range of perspectives full circle back to key issues in political science and public administration provides an interesting picture with implications on the democratic processes underpinning the role of institutions in the polity and, for this study, in

the process of social policy implementation. In this regard, it is interesting to consider March and Olsen's (1984) perspective on institutions:

> Political democracy depends not only on economic and social conditions but also on the design of political institutions. The bureaucratic agency, the legislative committee, and the appellate court are arenas for contending social forces, but they are also collections of standard operating procedures and structures that define and defend interests. They are political actors in their own right (p.738).

It is particularly interesting to consider what would happen to this defining perspective if added to the list of "the bureaucratic agency, the legislative committee, and the appellate court" was "the process of social policy implementation through non-government third parties", with "third parties" also considered as political actors in their own right.

Such a perspective weaves in tightly with the puzzle raised above in 2.2, about where policy design ends, considering the lesson of the street level bureaucrat in which policy is interpreted and effectively written as it is enacted. The implications of such a puzzle could be significant, and correspond with the notion of *decentred governance* raised in the governance-networks literature (Bevir & Rhodes, 2006b; Dinham & Lowndes, 2008):

> Nonprofits are a new institutional form. Their emergence as a central feature of the polity represents a new configuration of public and private power (Hall, 1994, p.4).

It is important to understand the experience and role of NPOs in the process of social policy implementation for this and many other reasons. Recent research contends that the impact of government funding on NPO activity is varied (Akingbola, 2006) and the relationships between governments and NPOs are "not

simple or obvious" (Onyx et al., 2008, p.631). This review of the literature has briefly traced the history of implementation research, the experiences of NPOs, the role of structural explanations stemming from institutional and organisational theory, as well as suggested the role of leaders and aspects of institutional theory relevant for understanding NPO involvement in social policy implementation. In exploring this range of empirical and theoretical I have set the scene for empirical investigation into the lived worlds of NPOs in Australian social policy implementation and built a case for empirical investigation led by the research question: *How do non-profit organisation (NPO) leaders understand and manage their relationships with governments in the process of social policy implementation?*

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[6] For a comprehensive review of articles relating to non-profit strategic management from 1977-1999 see Stone et al., 1999.

[7] Even with the presence of the US based "Non-profit Leadership and Management" journal the focus of publications has been more on advice for non-profit managers, such as tips for running an efficient and stable non-profit organisation rather than into the phenomenon of leadership per se.

CHAPTER 3

EXPLORING THE EXPERIENCES OF NPO LEADERS

3.1 Travelling alongside

Kvale (1996) depicts two broad metaphors of the researcher's role: a miner or a traveller. One type of researcher seeks to gather information as:

> a miner who unearths the valuable metal. Some miners seek objective facts to be quantified, others seek nuggets of essential meaning. In both conceptions the knowledge is waiting in the subjects' interior to be uncovered, uncontaminated by the miner... The knowledge nuggets remain constant through the transformations of appearances on the conveyer belt from the oral stage to the written storage...
>
> The alternative *traveler metaphor* understands the [researcher] as a traveller on a journey that leads to a tale to be told upon returning home... The traveler explores the many domains of the country, as unknown territory or with maps, roaming freely around the territory. The traveler may also deliberately seek a route that leads to the goal. The [researcher] wanders along with the local inhabitants, asks questions that lead the subjects to tell their own stories of their lived world, and converses with them in the original Latin meaning of *conversation* as "wandering together with"... The potentialities of meanings in the original stories are differentiated and unfolded through the traveler's interpretations; the tales are remolded into new narratives... The journey may not only lead to new knowledge; the traveler might change as well... Through conversations, the traveler can also lead others to new understanding and insight as they, through their own story-telling, may come to reflect on previously natural-seeming matters of course in their own culture (Kvale, 1996, pp.3-4, original emphasis).

Throughout this research process, I have adopted a researcher-as-traveller approach, rooted in an interpretivist philosophy. I do not seek to recover objective and immutable truths. Instead I depict and analyse how participants interpret and understand the experience of social policy implementation, and what this means for their involvement in it (Marsh & Furlong, 2002).

The phenomenon I wish to investigate in this thesis – how NPO leaders understand, manage and respond to their relationships with governments in the process of

social policy implementation – is socially constructed and personally experienced (Bigelow & Stone, 1995; Ebrahim, 2002; Laws & Hajer, 2006; Reingold & Liu, 2009; Schneider, 2006). The pursuit of knowledge through interpretation acknowledges and values the unique and different interpretations and explanations that exist around any one set of events or issues, and seeks to find not one true truth, but to develop an informed, considered and deep understanding of events and issues (Bevir & Rhodes, 2002; Dinham & Lowndes, 2008; Robson, 2002; Yanow & Schwartz-Shea, 2006). The findings presented in this thesis are the culmination and synthesis of *my* interpretation of these events and have been shaped by the uniqueness of my involvement in the research process (Hendriks, 2007). Despite this uniqueness, I share a belief with others that such interpretations can also speak to a bigger picture (Bevir & Rhodes, 2002; Rhodes et al., 2007b) – in this case, the bigger picture of the theory and practice of social policy implementation.

The empirical question underpinning this research project not only reflects my epistemological and ontological positions, but has also fed my decision about the use of ethnography as a suitable and appropriate method for this research. Ethnography is a well-established method for studying the operation of organisations, including NPOs (Czarniawska, 1997; Lea, 2008; Pondy, Frost, Morgan, & Dandridge, 1983; Schneider, 2006; Shehata, 2006; Van Maanen, 1979, 1998; Wedel, Shore, Feldman, & Lathrop, 2005; Woodward, 1980). There is also a small but steadily growing body of literature that supports and promotes the use of interpretive approaches – such as observation – to policy and implementation research (Bevir & Rhodes, 2006a; Dryzek, 2006; Finlayson, Bevir, Rhodes, Dowding,

& Hay, 2004; Rhodes, 2002; Rhodes et al., 2007b; Yanow, 2000; Yanow & Schwartz-Shea, 2006).

In particular, I have opted for an ethnographic design involving observation and fieldwork instead of more common interviewing and focus group techniques for a variety of reasons. Firstly, I use ethnographic methods here because I believe shadowing NPO leaders in their day-to-day work is a highly informative way of learning about their experiences and the best way to investigate the research question (Rhodes, 2002; Rhodes et al., 2007b). Such an approach allows the "*individual* dimension" (Geuijen, t Hart, Princen, & Yesilkagit, 2008, p.24) – the person within the organisation – to be uncovered.

Secondly, having worked for an extensive period of time in community service organisations, I was concerned about the extent to which my preconceived expectations and beliefs might bias my findings to the extent to render them prejudiced. By electing to enter into the worlds of the participants through observing and reflecting on their day-to-day work, I hoped to be increase the opportunity to be reflexive: to challenge, question and analyse not only my own, but also their assumptions about what was going on (Rhodes et al., 2007b).

Thirdly, there is a strong narrative of power imbalance surrounding the relationship between NPOs and governments (see for example, Spratt et al., 2007). Much third sector literature argues a normative point, and claims injustice on behalf of NPOs involved in social policy implementation and the third sector as a whole (see for example, Lyons & Passey, 2006). It can be important for academic accounts to

incorporate advocacy, particularly in the field of policy studies (Dryzek, 1982). As described in Chapter 1, like many scholars with an early applied career in their fields of research, a sense of injustice in this power and expertise imbalance between practitioners and policymakers was part of my drive to conduct this research (Hendriks, 2007; Lea, 2008). However, again like others such as Hendricks (2007) and Lea (2008), I had a strong desire to conduct sensitive, balanced and considered research which did not seek from the outset to prove any one preconceived normative argument. I felt that it was not enough to repeat and record the antagonistic rhetoric in interviews with NPO leaders, but instead it would be more useful to see these leaders in action (Robson, 2002).

3.2 The cases: Choosing and comparing

Case study research is useful for addressing the empirical question driving this research. For example, case study research is useful when the context is intrinsically linked to the phenomenon being researched – as is the case for NPO engagement in social policy (George & Bennett, 2005). Because of the strong themes in the literature speaking of the significance of different organisational features of NPOs, I felt it was also important to conduct comparative study of more than one NPO (Smith & Lipsky, 1993). The interpretivist tradition acknowledges that the richness of interpretive lessons can be enhanced through analysing more than one scenario, developing more than one thick description and comparing and contrasting these (Bevir, Rhodes, & Weller, 2003a). Selection of the three cases was essentially through a theoretically sensitised snowball sample method – in part led by the participants, and in part informed by previous approaches to

investigating the involvement of NPOs in social policy implementation (Howarth, 2005; Smith & Lipsky, 1993).

The first case, Faith Aid Australia (FAA), was initially intended as a site approximating a pilot case, in which I would conduct exploratory fieldwork (Yin, 2003, pp.79-80).[8] The focus of my fieldwork at FAA was on becoming sensitised to the issues in the field, allowing investigation to be led by the data and the participants, and focusing on open questions such as "what is going on here?" This fieldwork placement allowed an opportunity for me to scope the usefulness of concepts from the literature and highlight other areas of the literature to which attention should be paid. I was able to begin refining my fieldwork skills at FAA, developing the craftsmanship of qualitative data gathering and establishing my legitimacy as a researcher (Kvale, 1996).

I had met Eddy, one of the key participants at FAA as I conducted informal scoping interviews with a handful of high profile community service leaders prior to commencing case selection. I accessed these people through my personal and extended networks. I had six offers for field site placements stemming from this initial round of interviews, and because of FAA's broad connections with provider organisations in various networks, this organisation was seen as a particularly useful starting point from which other field site organisations could be selected and contacted. Also, while my broad topic of interest – the relationship between governments and NPOs – had become well established, at this stage I still sought participant led development of my research question. Thus, the fact that FAA was

an organisation for whom maintaining ongoing relationships with government was one of its key roles meant it was highly suitable for my first fieldwork placement.

In selecting the second and third fieldwork sites using a snowballing method, I requested that the FAA participants suggest potential field sites that displayed structural diversity, and to describe to me why they would be suitable for involvement in the study (O'Reilly, 2004). From this range of suggestions, I developed a short-list of five NPOs, and – after introduction and consent were sought in accordance with my ethics requirements – I spoke in person with members of the leadership teams of these organisations to discuss their potential as a field site. In this process, I eliminated three sites as unsuitable. One was eliminated because my discussion with its leader revealed she did not believe her agency had *enough* of a relationship with government to sustain my interest for any period of time – despite my "insatiable enthusiasm" (Punch, 1989, p.186) that the site would be of interest to me regardless. A second was removed from the short list because it operated in the same state as another of the cases. A third was not considered suitable because its operations were in rural and remote areas, which was out of the scope of this research.

The eventually selected additional fieldwork sites – the Provincevale Community Centre (PCC) and Robwood – were suggested by the women at FAA for a range of reasons. According to them, both NPOs had an active relationship with government and were led by reflective and engaged leaders. Both were, moreover, involved with more than one level of government, receiving funding from both state and federal levels of government. In retrospect, it is clear to see that this selection

process strongly influenced the findings of this research. The organisations suggested and the leaders who were willing for me to spend time with them are *particular types of people and organisations.* Overall, these three NPOs were organisations led by people who *had something to say* about their relationship with government.

While such purposive sampling of the NPOs based on their interest in the issue under investigation is a method used elsewhere in third sector research (see for example, Baulderstone, 2008), I believe my sampling here of NPOs and leaders with an *active* relationship with government led to one of two key limitations of this research. I believe as a result, a sampling "bias" can be seen in the findings. I wonder how my findings would have been different if I had spent time in the abovementioned NPO who did *not* feel they had "enough" of a relationship with government to sustain my interest.

This limitation was not, however, completely problematic. By sampling three NPOs with varying structural features and a similar desire to have "active" relationship with government, I was able to identify similarities and differences in their experiences. By conducting a range of "auxiliary" interviews (described below in 3.4), I was also able to gain a range of perspectives which highlighted the uniqueness of this "active" relationship perspective. I contrast the impact of this active relationship between NPOs and governments in the process of social policy implementation with an alternative approach in Chapter 9.

A second limitation of this study was that I examined a relationship from only one perspective, that of the NPO. Throughout this thesis, the experience and opinion of "government" remains opaque. I sought to address this limitation in the early phases of the research, with an initial research design that incorporated fieldwork with two NPOs and two teams of government workers (those responsible for managing two departments' relationships with NPOs). After extended negotiations and despite an initial round of positive pilot interviews with one team of government employees, I was unfortunately unable to secure approval in both state and federal government hierarchies to conduct fieldwork. Difficulties accessing governments for ethnographic research are not unique to this study (Rhodes et al., 2007b; Vincent & Harrow, 2005). Thus, the focus of the research remained firmly on the NPO.

The fieldwork conducted for this study consisted of between one and three months with each NPO, occurring consecutively with gaps for analysis in between. [9] While the duration of ethnographic fieldwork varies enormously, this is a relatively limited amount of fieldwork compared to some, but not all ethnographers (Bernard, 2006; Rhodes et al., 2007b). There are a number of reasons I conducted fieldwork spanning this length of time. Firstly, I sought diversity and comparison, which led to the selection of the three different field sites, consequentially limiting the time I had to spend with each. Secondly, the length of the two shorter fieldwork placements emerged as an antidote to "fatigue" experienced in the longer, first placement (Punch, 1989). Twice I returned to a field site after the initial period of fieldwork had finished to gather follow-up data. The overall period of fieldwork ran

from March 2007 to September 2008. Despite major changes that occurred during this period (a change of government after more than a decade of conservative rule) affecting the "political landscape of the day... the emerging themes suggest a more generic phenomenon" (Onyx et al., 2008, p.635).

The three field sites were in three different locations on the eastern seaboard of Australia.[10] I maintained email, phone or personal contact with all of the key participants up to the time this thesis was completed. The key participants – ranging from one to four people per organisation – were all part of the leadership teams within their organisations. An example of an agreement with a field site is included in the appendices. This agreement existed *in addition to all* the requirements for individual informed consent as required by the ANU ethics committee. The project, of course, received ethical approval with the Australian National University and abided by the Australian Government regulations for research with human participants (Commonwealth of Australia, 1999).

It is important to note here that sampling intentionally did *not* incorporate selecting field sites based on them experiencing specific changes in organisational structure or as they responded to particular events – as many other NPO studies have done (see for example, Acheson, 2001; Austin, 2003; Baulderstone, 2008; Benjamin, 2008; Brown & Troutt, 2004; Provan et al., 2004; Ramanath, 2009). I was interested in shadowing NPO leaders going about their ordinary day-to-day activities, as I felt this was an under-studied element of their function. Studying the day-to-day activities of organisations and their leaders is an important aspect of understanding

their ordinary and ongoing involvement in institutional processes (Czarniawska, 1997; Lowndes, 2005; Mintzberg, 1989; Rhodes et al., 2007b).

3.3 The life worlds of the leaders and the NPOs

As is common with ethnographic research, three primary sources of data generation occurred during fieldwork: interviews, observation (including some participation) and agency document review (O'Reilly, 2004).

Interviews

Ongoing ethnographic interviews occurred throughout fieldwork placement. While often appearing as *unstructured conversations,* these interviews were typically intentional and focused (Kvale, 1996). It was important to blend open-ended "deliberately naïve" (Kvale, 1996, p.31) questioning with careful, reflexive, steering questions. This second type of reflexive and focused questions typically stemmed from my practice of daily reflection and journal note-taking (Minichiello, Aroni, Timewell, & Alexander, 1995).

As fieldwork at each site progressed, it was a challenge to balance sensitive and respectful interview questioning with challenging and controversial questioning, in which I would mirror the participant's claims and assumptions back to them, highlighting discrepancies I perceived and seeking explanations. Questioning participants on their fundamental assumptions such as "why *should* you ask for funding for this when you have your own revenue that could pay for it?" could be a confronting experience. While risky, questions such as these "red herring"

questions often elicited impassioned responses which led to crucial insights into the culture and norms underpinning their work.

The risk associated with such questioning was heightened considering the delicate power balance that existed between myself and the participants (Rhodes et al., 2007b). In many ways the participant held the power of ownership over the information, knowledge and experience about which I sought to learn. I was a guest in their workplace, and was grateful for their time and willingness to participate. My arrangements with each participant and field site guaranteed them the ability to veto or amend anything I wrote about them in any publicly available document or presentation (Rhodes et al., 2007b). Yet, they were also allowing themselves to be potentially very vulnerable in admitting me to their day-to-day working environment, and in inviting me to interpret their work and experiences.

It was important to establish relationships of trust with the participants very quickly (Adler & Adler, 1987). Typically I did this by introducing myself with information emphasising that I had worked in the community services sector for a number of years before moving to policy and now to research. The cumulative intention of this introduction was to establish myself as an *insider*, staking out a claim to a *membership role* (Adler & Adler, 1987). In this way I sought to establish myself as a "knowledgeable observer" (Rhodes et al., 2007b, p.221) with a specific sensitivity, knowledge base, and allegiance to the plight of the struggling community services worker and advocate as quickly as possible.

While I believe this insider status led to high levels of access and honesty from the participants, there were also negative consequences. I have no hesitation in acknowledging my respect and admiration for the participants I shadowed – despite the "bipolar" view of admiration and frustration that a researcher sometimes develops about their participants (Maynard-Moody & Musheno, 2003, p.xii; Rhodes et al., 2007b). There was a strong and ongoing need for me to ensure that I remained *openly critical* of their work throughout the process, avoiding "going native", "capture" or "conflict" between my role as a researcher and an insider (Adler & Adler, 1987; Punch, 1989). At times, particularly in my first fieldwork placement, I found it difficult to challenge some of the underpinning assumptions of the participants, purely because I was daunted with admiration about their work. In my journal at this time I note on many occasions frustration with my timidity. Like a craftswoman learning her trade, I am satisfied that I became *much* better at a critical approach over time. Critical reflexivity and academic detachment was important as I monitored my engagement with the research process. However, this limitation can continue to exist especially when participants do not *wish* to divulge their whole experiences or with the researcher's struggles of "how do I know what I do not know" (Punch, 1989; t Hart, 2007).

The ethnographic interviews focused on gathering descriptive and specific information about the participant's *life world*, the "everyday lived world of the interviewee" (Kvale, 1996, p.30), and how they ascribed meaning to this. One of my favourite aspects of ethnography is the capacity to conduct ongoing interviews, and to interview a participant immediately after you have observed their

participation in a particular event, augmenting observation with the participant's own reflections (O'Reilly, 2004). These interviews – short and long – were typically recorded on a small handheld MP3 Dictaphone. My MP3 Dictaphone was never far from my hand, and the participants were aware that at any stage I might be recording what we were saying – although I was, of course, never covert about this. There were many times also when I did *not* record what was said, at the explicit request of the participants. My agreements with the participants prior to conducting fieldwork included that I would not record group discussions when these had not been approved by all members of the group. In instances such as these I kept comprehensive handwritten or typed notes, and I would indicate (for example, in capital letters) when I had noted down a phrase verbatim and when I had paraphrased it in my own words.

During the course of fieldwork, sometimes the key participants would recommend – and arrange – for me to speak with another person about particular issues or perspectives. Other times I was intrigued by certain people associated with the participants and their organisations and I requested permission from the participants to approach them for interviews. In the spirit of the researcher-traveller metaphor, acknowledging the "serendipity and happenstance" of ethnographic research (Rhodes et al., 2007b, pp.209-210), these "auxiliary" interviews served to raise issues and broaden my understanding of the topic at hand and the work of the participants and their organisations. Indeed, some of these auxiliary interviews demonstrated an at-times fine line between ongoing ethnographic conversations and formal interviews. These interviews were useful,

and they are referred to a handful of times in Chapters 4 to 9, but they were not the primary sources from which I drew meaning and interpretation.

Observation

I initially began fieldwork for this research with the intention of engaging in "active membership", incorporating both observation and participation. Active membership is where a researcher assumes a functional role in the setting while still striving to "cling to some... detachment... [and a] commitment to their academic role" (Adler & Adler, 1987, p. p.51). Participation was a strong theme in my three months at FAA, during which time I prepared a number of position papers for the organisation. This was an informative process and particularly highlighted to me some of the tensions for the FAA team between representing service users and service providers.

However, this process also had its drawbacks. By the end of my placement at FAA, as I was beginning to understand and engage more with the work of the three executive women at the office, I was also coming to the deadline for my position paper work to be complete, which drew me away from the events I wished to observe. For this reason, I elected not to engage in specific participation projects at Robwood or the PCC. I did not completely remove myself from participation however; for example, there were many occasions where I found myself working alongside Kelly, for example, assisting her to prepare for an upcoming governance committee meeting. The experience of participation in this instance was, however,

qualitatively different to one where I had "my" project that I worked on, mostly separate to the others in the office.

I maintained both a handwritten and typed journal throughout the phases of data generation, collection and processing (described below). These journals contained descriptive notes, analytic notes and methodological notes (Bernard, 2006). Topics covered in the descriptive notes included information about what happened, how long things took, the gender and age mix of people involved, inter- and intra-personal dynamics, the settings in which events occurred, the behaviours of those involved, and the key participants' reflections (O'Reilly, 2004). Analytic notes were my reflections on what was happening, sometimes written amongst the field notes and sometimes written at the end of a day or week as I reflected on the fieldwork. Methodological notes were where I kept a record of questions, topics or people I wished to follow up. Keeping an analytical and reflexive journal was a crucial feature of my daily practice of reflecting on the day's experiences, and aided the intimately intertwined process of data collection and analysis (Miles & Huberman, 1994).

For example, in the handwritten journal I typically kept blank a 5cm margin on the right side of the page, in which, during the day I would scrawl notes to myself, highlight questions or comments that I wanted to follow up (Minichiello et al., 1995). In the evenings I would scour these notes again, highlighting and summarising issues that needed clarification, making comments on themes I felt were emerging as well as analysing the impact I was having on data generation. In the electronic journal I was able to delineate from notes and reflections using

different fonts and indenting and dating the reflective text. Keeping both an electronic and handwritten journal was important for ensuring flexibility – there were times when it was more appropriate or inconspicuous to be using one or the other. There were also times when the sheer upper limb pain of repetitive strain required me to use one or another technique.

Interviewing, shadowing and observation can be an exhausting and intimate experience, for both the participant and the researcher (Punch, 1989). Towards the end of my fieldwork with Kelly at the PCC, she and I were participating in a group network meeting. The members of the group all introduced themselves, and as usual I introduced myself as a student researcher from the Australian National University, who was shadowing Kelly. Kelly, sitting next to me, introduced herself next as "I'm Kelly and I'm *sick* of being shadowed! It feels like I have been in constant supervision for weeks! She remembers everything I say and do, and she asks me why I do things differently from one circumstance to the next. I'm exhausted!" Lucky for us, Kelly and I had the opportunity to spend some time apart that day, as opposed to our typical schedule of travelling together in the car and going to meetings for up to 10 hours per day, giving ourselves the space of separate offices to regroup and refresh. When it was time again for us to return to our intensive schedule, I checked with Kelly that she was happy to go on with the shadowing, to which she responded with laughter and reassurance, expressing relief that she'd had the chance to vent and have a short break.

Not every field site is so exhausting, however, and it is easy to find yourself tucked away in a corner, concerned that your participants have forgotten about you. This

is especially the case when shadowing more than one person in an organisation. Again, as I learnt more about the craft of ethnography throughout the experience of fieldwork, I learnt to actively manage my levels of exhaustion and effort as well as my time – both during the day while attending fieldwork, as well as in the evenings, while reflecting on fieldwork.

Agency document review

During fieldwork at each organisation I had access to their internal data via their hard and electronic filing systems. Data I gathered during the process of agency document review included primary internal and publicly available documentation such as contracts (service agreements), reporting forms, correspondence, meeting minutes, plans and strategy documents, submissions, foundation documents, policy and procedure manuals, budgets, media releases, organisational charts, presentation notes, newsletter articles, brochures and briefing notes as well as print-outs or photocopies of the participants diaries for the time I spent with them. This data formed an important additional set of information and artefacts (Lea, 2008) which greatly assisted during data processing as I constructed time-lines or gathered together more objective data about each field site. It also served as a useful cross-reference for my field notes and observations.

3.4 Developing and dealing with the narratives

Following fieldwork at each site, I commenced an intensive period of processing (writing up), analysing and thematically coding the data from that case. Here I often relied on voice recognition software, which enabled me to dictate my notes

into a typed format. As is often the case with qualitative data, coding occurred initially with the assistance of the NVIVO computer software package (Marshall, 2002). Seeking to encourage codes to emerge from the data, a variety of coding schemes were derived, aiming initially to uncover as many relevant issues as possible and gradually moving towards a more conceptual and theoretical understanding of the phenomenon over the course of data collection and analysis (Minichiello et al., 1995; Strauss & Corbin, 1998). However, these initial sets of codes remained theoretically bewildering. I then sought to apply a range of relevant theoretically driven lenses to the data (Allison, 1971). This involved experimenting with developing codes informed by, for example, Rhodes and Bevir's beliefs/practices/traditions/dilemmas framework (Bevir & Rhodes, 2001, 2006a, 2008; Rhodes, 2007b), amongst others. Each coding experiment provided further insights into the data. Eventually these coding efforts directed my theoretical attention towards the framework developed by Oliver (1991), described in Chapter 2.

Despite my frustrations at the structuralist-functionalist, positivistic and predictive nature of the Oliver (1991) framework, I could see its merit as a heuristic device assisting me to arrange and view my data from a theoretically relevant standpoint. Heuristic devices such as this can serve as *conceptual tools* to assist the interpretive researcher with highlighting and identifying deeper themes in the data (Hendriks, 2007; Lewis-Beck, Bryman, & Liao, 2004). Interpretive descriptions and explanations do not aim to define complex phenomenon in terms of dependent and independent variables in order to replicate and predict outcomes for similar events

and issues (Rhodes et al., 2007b). However, in this study, using Oliver's framework as a heuristic specifically aiming to encourage deeper exploration into the data, rather than proving or disproving the utility of the framework per se was very useful (Oakleigh, Forthcoming). Through using it, and the associated process of grouping my data into narrative episodes, my otherwise unwieldy "thick" ethnographic data set (Geertz, 1973) became manageable, and to some extent it was the beginning of a phase in which the "different themes make sensible patterns and enter into a coherent unity" (Kvale, 1996, p.48).

Co-authoring narrative episodes

As a preliminary step in analysing the data according to the heuristic based on Oliver (1991), it was necessary to group the data into episode-based narratives (Bevir, Rhodes, & Weller, 2003b). These narrative episodes were "composite" stories in which I drew together information sometimes spanning the length of the fieldwork placement (Dinham & Lowndes, 2008, p.831). I carefully constructed the narrative episodes seeking to represent the data in a way that was authentic to the lived experience of the participants, while also demonstrating the specific themes emerging from analysis.

The first step in constructing the narrative episodes involved converting the "raw" data into a narrative. Below is a small section of a transcribed interview with Gail and Silé, participants at FAA.

> G I think the thing about that is that sometimes it can be difficult for people who work in linear... [we are interrupted by the waitress]... but yes, I think that becomes *incredibly* difficult for people to understand if they've worked in government...

S yeah, exactly...

G I remember my E.A. [executive assistant]... I would say "why did you swap that meeting over?" and he would say – because that's a deputy secretary and that's a branch head, and it was simple, you know, pawn, or bishop out beats pawn...

In order to bring this data into a format that was useable and understandable by an external reader, I interpretively edited this text into the following:

> "*Sometimes it can be difficult for people who work in linear* settings, in hierarchical organisations like *government, to understand...* When I worked in the public service *I would say to my EA "why did you swap that meeting over?" and he would say – because that's a deputy secretary and that's a branch head, and it was simple, you know...bishop... beats pawn..."*

It is important to note here my use of italicised and non-italicised text. In all the narratives and quotations presented in this thesis, text is presented in italics when (and only when) it is quoted directly verbatim from the participants or their organisation's written information. All other text is *not* in italics and includes text from my field notes; occasions where I have paraphrased what participants have said (often due to having taken shorthand notes during conversations or meetings rather than having made recordings from which full verbatim transcriptions can be reproduced). Non-italicised text also includes contextual descriptions that were post-produced either during the fieldwork, when writing up detailed and reflective field notes from each day, or while preparing the narratives. In this way I sought to bring together information from a range of sources and reflections to create comprehensive and comprehensible "re-enacted" episodes.

I decided to maintain this level of delineation between the italicised and non-italicised text, even though I acknowledge that the narratives are co-authored

between myself and the participants. They are essentially my interpretations which have been approved by the participants (Kvale, 1996). This was firstly because I felt it was important in terms of authenticity to be transparent about text which directly quoted the participant and that which did not and secondly to avoid *losing myself* in this data (Hendriks, 2007; Van Maanen, 1979). While my findings are interpretive and do seek to delve into the meanings the participants ascribe to their lived reality, the narratives are *not* used for a deeply-intricate discourse-level of analysis (Fairclough, 1989; Torfing, 2005). I therefore consider re-telling fieldwork narratives in this way as legitimate for the level of analysis that occurs in this study.

I then made informed decisions about how and where to draw boundaries around the data, deciding where a narrative began and ended. I considered carefully what should be the *size* of a narrative. What constituted a full narrative and what was only part of a narrative? Some were short while other narratives were *lengthy* episodes, tracing the experience of a range of participants over the course of several months. How could these two "pieces" of information be comparable?

They were comparable, of course, precisely because they were *not* intended to be comparable in a positivist sense of the term. Ethnographic findings are more about themes and patterns than the number of events and I had no intentions of quantifying and explaining the data with reference to the frequency or size of narratives (Schneider, 2006). Thus, it was entirely appropriate to let the data influence the size and scope of the narratives themselves. As much as possible, I sought to let the data dictate its own narratives by tracing the course of particular episodes. This meant that in some circumstances, the episodes were very lengthy

(such as my description of Robwood's EOI negotiation in Chapter 5), while others were shorter (such as my description of the PCC's experiences of *avoidance* in Chapter 6).

The Oliver model as an interpretive heuristic

When the data across each site was grouped into narratives, I assigned to each one (or more) of Oliver's five organisational response tactics – acquiesce, compromise, avoid, defy and manipulate – according to my judgement of best fit. I also noted when I felt the response tactic was *not* a good fit. I then considered the role of each predictive antecedent in each narrative, making an informed judgement about whether it existed to a high, moderate or low level. To assist me in this data processing task, I operationalised Oliver's matrix into both a pictorial heuristic model, to help me see what was occurring in each narrative, as well as using a series of colour coded Microsoft Excel spreadsheets to help me compare narratives across and between field sites.

It is important to stress again, however, that despite the use below of terms such as "plotting" and "levels", this model was developed strictly and only as a heuristic device. I did not attempt to objectively measure the data involved in this process or even to specify the "gradient" of any correlation relationships between the antecedents and responses, above a simple direct or inverse distinction, as suggested by Oliver (1991). Instead, this heuristic model and the interpretive process around it served as an effective and useful device for bringing a particular focus onto the data in order to aid and direct further and deeper analysis.

In this heuristic model the horizontal plane depicted what positivist researchers might call the dependent variable – the amount or level of resistance in an organisation's strategic response to institutional pressures, from less to more. The vertical plane depicted what might be called the independent variable – the level or strength of each predictive antecedent, from low to high. The model acknowledges how, in Oliver's (1991) framework, the predictive antecedent levels influence the level of resistance in the organisational response. The direct and inverse correlations between the predictive antecedents and the organisational strategic responses were pictorially represented in the heuristic model via an ascending diagonal line for the predictive antecedents with a direct correlation, and a descending diagonal line for those with an inverse correlation – see Figure 1.

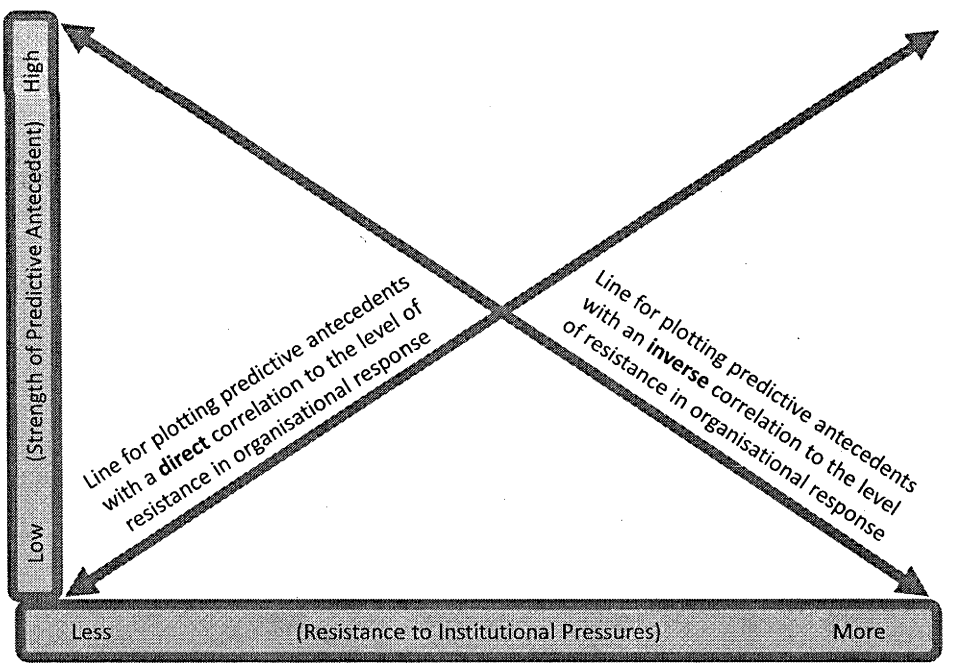

Figure 1: The Oliver (1991) model as an interpretive heuristic – relationships between antecedents and organisational responses

Each antecedent can be plotted onto the model according to its strength and whether it is defined by Oliver (1991) as having an roughly inverse or direct correlation with the resistance of organisational response. For example, when there were a high number of stakeholders – an antecedent with a direct correlation to resistance – then this antecedent was plotted in the top right corner of the graph, indicating that it leads to a higher level of resistance (see Figure 2). When a high level of legitimacy was likely to be gained from compliance – an antecedent with an "inverse correlation" to resistance – then this was plotted in the top left corner of the graph, indicating that, according to Oliver, it leads to a lower level of resistance in the organisation's response to institutional pressures. A diagrammatic representation of these examples is at Figure 2 below.

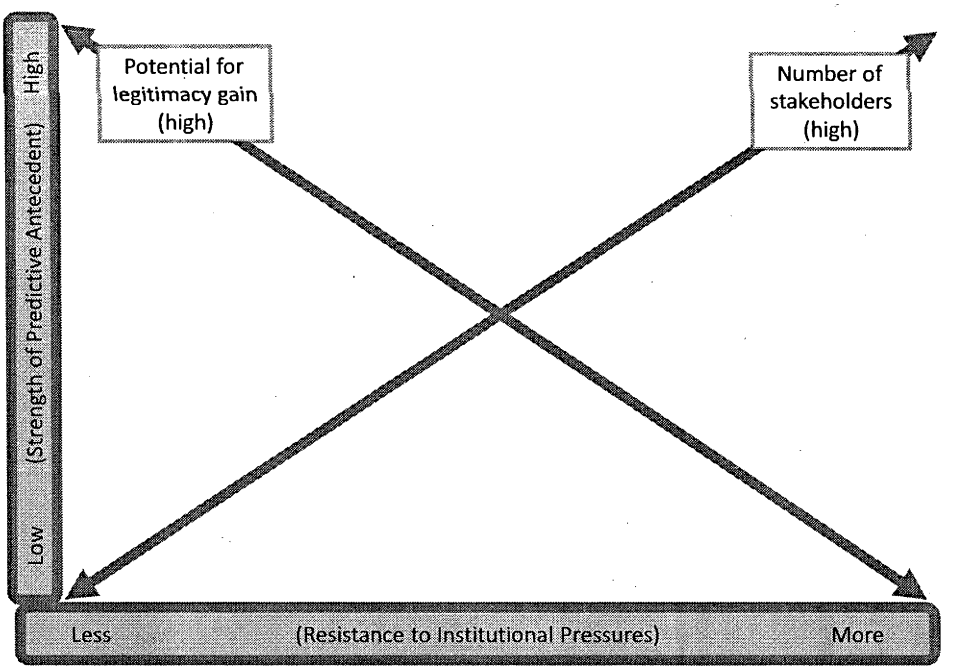

Figure 2: The Oliver (1991) model as an interpretive heuristic – plotting antecedents onto the model

According to Oliver's predictions, a clustering of antecedents to the left of this heuristic model, for example, should predict a tendency in that instance for the organisation to respond with acquiescence – see Figure 3 below. This is easily seen at a glance when Oliver's five organisational responses are overlaid onto the horizontal axis as a comparison (also in Figure 3). All ten antecedents in Oliver's prediction profile for acquiescence are present and plotted in Figure 3. These are represented by the small, overlapping, labelled rectangular boxes plotted on the two diagonal lines – two are plotted on the inverse correlation line and the remaining eight are plotted on the direct correlation line.

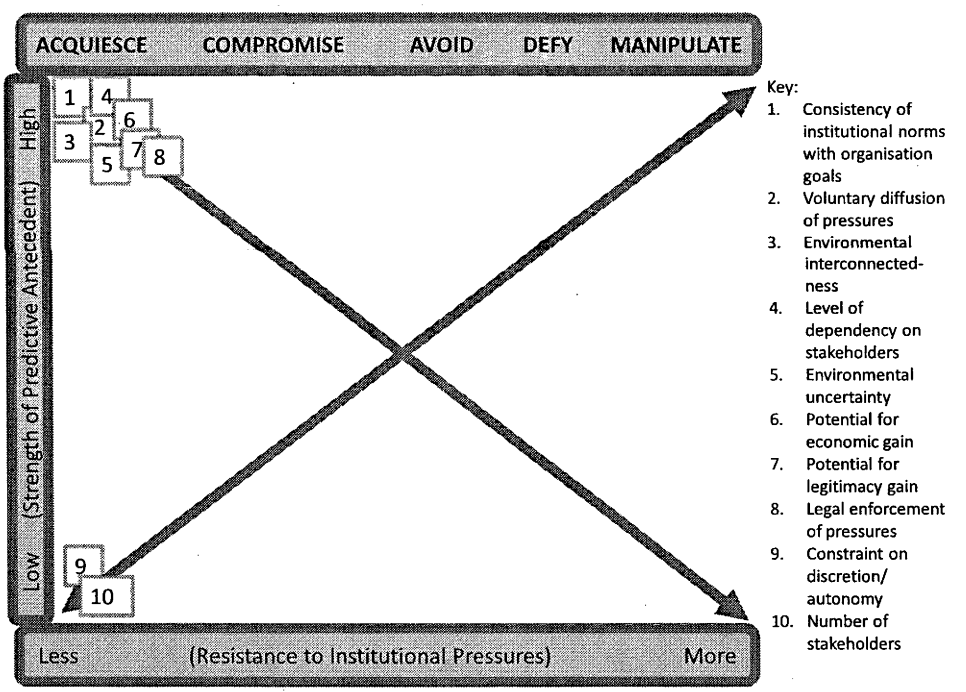

Figure 3: The Oliver (1991) model as an interpretive heuristic – an example of "acquiescence"

Using this model for preliminary data analysis was an extremely useful heuristic technique for visualising the relationship between the tactical response strategies and their predictive antecedents. When applied to all the narratives across the

three sites, it was especially helpful as a way of seeing trends in antecedents, responses or narratives that did not "behave" as might have been expected. I have included three examples of how I visually represented narrative episodes using this heuristic in the appendices.

This data analysis method served as a valuable interpretive cross-check, alerting me to multiple ways to understand and interpret the data and to see clarity in what otherwise was a densely rich data pool. The use of this heuristic device was not an end in itself, but instead was part of an iterative process which directed deeper subsequent analysis of the data. Through using this heuristic device, I identified a number of key themes emerging from the data and began writing these themes up, initially through Oliver's lens (in Chapters 5 to 7), and later moving "beyond" Oliver. Based on these themes I carefully selected a set of narratives to include in Chapters 5 to 9, and developed detailed descriptions of them. In this way, I experienced how "writing up is not the end of research but the start of a new phase that is just as challenging" (Rhodes et al., 2007b, p.229).

3.5 Authenticity and verification

> Getting up close is intuitively appealing for students of elites but it also harbours some classic pitfalls that have driven many social scientists away. We acknowledge these pitfalls. We do not downplay them. We seek to cope with them explicitly (Rhodes et al. 2007b, p.8).

In the standard annals of scientific research there are the three pillars of generalisability, reliability and validity (Kvale, 1996). These three pillars describe the way knowledge is verified, defended and authenticated within a positivistic paradigm. I am reluctant to provide defence of my methods based on these pillars,

after all, "ethnographic tools are not just a softer, even inferior, versions of quantitative techniques. They are different in both aims and evaluation" (Rhodes et al., 2007b, p.219). Instead I adopt an interpretative alternative to knowledge verification. This suggests that "validation comes to depend on the quality of craftsmanship during investigation, continually checking, questioning, and theoretically interpreting the findings" (Kvale, 1996, p.241). There were a number of ways I sought to validate my research and findings which corresponded with my interpretive approach (Dinham & Lowndes, 2008; Rhodes et al., 2007b).

Firstly, I attempted to maintain an open and critical practice of self-reflection, as described above in the use of journal-keeping throughout the research process (not just during fieldwork). In the process of interpretation and analysis, I became acutely aware of the plurality of interpretations (Kvale, 1996). Qualitative data is rife with contradictions (Hendriks, 2007). Initially such contradictions were difficult to cope with as a researcher, especially with deeply entrenched, lingering implicit positivist notions that perhaps there *is* one truth, if only I looked hard and well enough for it. I initially mistook these contradictions as some sort of fault of my data collection skills. However, for the researcher-traveller, contradictions become the topic of a subsequent ethnographic interview and the researcher's understanding of the issue deepens further. Therefore, over time, I learned to savour the contradictions, as they often highlighted fascinating issues that led to deep insights about how the participants understood their role in their world.

In this way, my parallel use of interviews, observation and agency document review provided the opportunity for corroboration, and even triangulation. From my

interpretivist perspective, this was not done with the intention of falsifying one source or another, or developing one true account of what happens. Instead, the purpose of triangulation in this study was to deepen my understanding of the *multiple truths* that can exist.

Secondly, I tested my research findings with a broader public – academic and practitioner – throughout the process of developing them. Adler and Adler (1987) recommend researchers "periodically realign their perspective with those of outsiders in order to analyse the setting critically" (p.51). I met regularly with my supervisor, who never failed to provide challenging and thought-provoking responses to my latest set of findings and frustrations. These regular meetings also served as debriefs, and I was in regular contact with my supervisor either directly or via email during fieldwork (Punch, 1989). I presented ongoing updates of my findings at the Australian Political Science Association Conference in 2007 and to the Australia New Zealand Third Sector Research Conference in 2008. I published my early findings in a peer-reviewed journal (Oakleigh, Forthcoming).[11] Adapted case study material from my research was presented at a series of training workshops for senior executives in government, non-profits and business enterprises with the Centre for Social Impact, University of New South Wales. These experiences confirmed and validated both the NPO experiences I was describing as well as the analytical framework I was using to understand them.

Thirdly, and most crucially, in recognition that an interpretivist "notion of 'objective' knowledge is inter-subjective agreement" (Rhodes, 't Hart, & Noordegraaf, 2007a, p.11), I sought feedback and approval from the participants. I

provided the final selection of narrative episodes, as they appear in this thesis, to the participants.[12] In doing so I requested that they not only check the narratives for confidentiality and de-identification, but that they also confirm that the episode narratives were an authentic and balanced interpretation, from their perspective, of my fieldwork at their organisation. With a handful of minor edits and clarifications, the participants were all happy for the narratives to be included. The participants were also offered the opportunity to have their reflections and responses to reading the narratives included in this thesis. Not all the participants wished to do so, but the comments of those who did are included in the appendices.

3.6 Conclusion

One of the great acts of delusion which a thesis seeks to conjure is a linear description of what has been a profoundly non-linear process. Knowledge is not static, and literature became apparent along the journey of my research as it was published or discovered as I went into the dark corners I had not before thought to shine a torch into. In this way, while the literature review in Chapter 2 describes a logical sequence of investigation, occurring entirely before I had "entered the field" and commenced my data collection and analysis, the lived experience of this was far from that.

Published research involving more and more nuanced and sophisticated understandings of the relationship between NPOs and governments, descriptive and explanatory, became available throughout the course of the research project.

My understanding of the relevant theoretical frameworks blossomed once a framework began to emerge from the data. While I sought to theoretically sensitise myself to the predominant themes in the NPO and social policy implementation literature before entering the field, I could not predict the findings – especially in relation to institutional theory and organisational leaders. Such an experience makes a slight mockery of a well developed theoretical argument followed by a series of chapters on the findings of the research which appear to pay no heed to how they have been pre-empted in the literature review. Therefore, my desire in this chapter has been to specifically claim and detail the iterative inductive-deductive process of this research.

This chapter has described the methodological approach I have taken in this research process. In an effort to be transparent and clear about these methods, I have raised and discussed some of the issues that were particularly relevant in the processes of case selection, data gathering, generation, processing and analysis (Hendriks, 2007). I have sought to bring experience of ethnography to life and acknowledged my role and influence in the findings that have emerged. I have described and acknowledged the limitations and restrictions of my methods. In doing so, I have provided a behind-the-scenes picture about how the data and analysis of the following chapters emerged and occurred. The following chapters go on to describe the findings of my research firstly from the perspective of Oliver's framework, and secondly moving beyond this framework to explore the data at a deeper and more interpretive and synthesised level. Finally, I apply these findings to puzzles of social policy implementation driving the core empirical question of this

thesis: how do NPO leaders understand and manage their relationships with governments in the process of social policy implementation?

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[8] Yin's writings on case study research (see for example, Yin, 2003) are useful for any case study based research, however, it is important to acknowledge that my use of cases here is based on a different epistemological foundation to Yin's more positivistic approach.

[9] Including follow-up visits, I spent one month (full time) each at the PCC and Robwood, and three months (3 days per week) at FAA.

[10] As a part of my agreement with each site, I guaranteed a level of confidentiality and de-identification extending to their specific locations.

[11] In anticipation of an imminent name change, please note I have used my married name for this publication, as opposed to my maiden name (Procter).

[12] I had also previously gained approval from the participants for the particular narratives I had already used in public forums.

CHAPTER 4

AN INTRODUCTION TO THE CASES

4.1 Introduction

This chapter is the first in a series of four chapters reporting the fieldwork in this study. These chapters aim to present the findings in consecutive layers of deepening interpretation and "thickness", commencing with the "thin", birds eye description in this chapter. Here follows an overview of cases, their statistics, budgets, staffing and programs – characteristics that involve less, rather than more interpretation aimed at providing a rudimentary picture of the organisations involved to create a backdrop for the narratives and analysis presented in the remainder of this thesis. Subsequent to this initial "thin" description, I elaborate on the key characters I observed during my fieldwork at each site, and provide a snapshot of my fieldwork observations from each, aiming to give an overall feel for the character and nature of each organisation. I have presented the cases according to the sequence of fieldwork visits – first describing Faith Aid Australia, then the Provincevale Community Centre (PCC) and finally Robwood.

The following five chapters draw heavily on fieldwork data. The data is presented both in the form of long narratives and short quotes which serve as "reconstructions" or "re-enactments" of events observed or described. The full process by which these narratives were developed, including the use of italicised and non-italicised text has been described in Chapter 3.

4.2 Faith Aid Australia

The national network of faith-based human and community service providers affiliated with the "Faith" Church of Australia forms the Faith Aid network, of which Faith Aid Australia (FAA) is the "*national office*". The network of service providers incorporates approximately 1,300 sites across Australia, employing 35,000 workers, involving 24,000 volunteers and providing support to 2 million people per year ([Faith Aid Australia], 2006a).[13] Faith Aid network organisations provide a wide range of services including support for people who are ageing, children, families and people with disabilities. This network of autonomous service provider organisations is linked and represented to both the state and the church hierarchies by FAA.

FAA's mission statement was to voice the Faith Church's "*commitment to supporting individuals, families and communities through advocacy and the enhancement of community service provision*" ([Faith Aid Australia], 2005, p.1). At the time of my fieldwork there, FAA's key responsibilities included but were not limited to the following ([Faith Aid Australia], 2005, pp.1-2):

- *theological reflection on the Church's community service work*;
- advocating to government and the Church about *policies and practices which enhance the dignity of people, especially those who are most disadvantaged and marginalised*;
- information exchange amongst the Church and the service providers;
- enhancing the quality of service provision;
- *representing the views of Faith Church service providers to governments*;
- working with other churches and peak organisations; and
- responding to requests from the Church governing bodies.

In many ways the work of FAA was similar to that of a peak or representative body, with it seeking to have an impact to "*influence and activate change for better quality of life outcomes for the most disadvantaged people of Australia*" through work across its network, with other peaks, with the government and with its own capacity ([Faith Aid Australia], 2006b, p.2). The accountability, governance and reporting responsibilities of FAA were to the Faith Church through a governance committee with around 15 appointed members providing national representation from both the provider and church networks, which met twice per year. The role of the committee was to monitor and guide the work prioritisation and funding of FAA, and to assist in the coordination of FAA with other arms of the network and church.

While the office did not provide publically available annual reports of its functions or funding, it made its budget documents available to me at the time of my fieldwork there. In these internal budget documents, the annual income of FAA was listed as just over half a million dollars, none of which was a direct payment from government ([Faith Aid Australia], 2007a). At the time of fieldwork, FAA was also a part of a advocacy coalition and was receiving around 5% of its income for the work involved with this coalition. A majority of FAA's income (53%) was spent on salaries, with 11% on travel and vehicle expenses, 8% spent on the costs of various committees, and 3% on IT costs ([Faith Aid Australia], 2007a).

At its establishment (in its current form) in the 1990s, the Faith Church had specified that FAA be funded by a levy placed on service providers to the amount of 0.05% of their annual turnover. However, this decision had "received mixed

adherence" ([Faith Aid Australia], 2006b, p.12). At the time of my fieldwork there, FAA received approximately only 60% of the funding it was due under this requirement ([Faith Aid Australia], 2007b). Securing appropriate revenue to achieve the activities of FAA was therefore a key issue for the organisation – especially as it sought to increase its capacity for its work with government and across the network. In addition to the monetary income flowing into FAA, the network also provided additional in-kind and financial support such as assistance with Information and Communication Technology (ICT), vehicles and travel.

Key characters

At the time of fieldwork, FAA was staffed by four women – one employed in a CEO or Director's role, two at a "senior executive" level and one office manager. At one stage, Marji, a seconded worker from an interstate provider organisation, also joined the team. She and her role are described briefly in Chapter 6. My fieldwork observations predominantly traced and followed the work of the three senior workers, Eddy, Silé and Gail.

Eddy, the CEO or Director of Faith Aid Australia, trained as a psychologist and had experience working as both a service provider and as an adviser in government. Eddy's role at Faith Aid was as a figurehead, the leader of the organisation. She was the longstanding worker in the office, commencing there about three years before my fieldwork began. Eddy and her family were enthusiastically engaged in the Faith Church, and this faith-based identity formed a foundation for her involvement in Faith Aid Australia. Eddy's role at Faith Aid Australia involved significant networking

amongst the church, the network of Faith Aid service providers and the Government, as well as involvement with a broader sector-wide advocacy coalition. The media-savvy Eddy used her strong faith base and passion for service as an expression of faith, her charismatic and engaging personality, storytelling skills, and networking skills to fuel her work.

Eddy's right-hand woman, Silé, was the Assistant Director of FAA. Also with a long history of involvement with, and strong links to the Faith Church, Silé's focus was particularly on connecting with the network and the church. Silé had made significant sacrifices for this job, she had moved interstate, leaving two of her three (young adult) children in her home town in order to work in this role. Her decision to do so was profoundly influenced by her connection to Eddy's values and vision for the organisation, network and church. She also worked on the network's branding project, seeking to bring together the various brands associated with the Faith Church's different service delivery agencies in the various states and territories. For Silé, the work of FAA was centred around its foundations in the church, providing *"a national focus for Faith Church's community services work... relating to the Christian witness of being with the people who are the most disadvantaged"* [Silé].

The National Communications and Government Liaison Director, Gail, had also made significant sacrifice, in this instance financially, to work at Faith Aid after transferring from a Senior Executive Position in the Public Service. While Gail did not consider herself a "person of faith" she joked that she was destined to spend much of her working life working in faith-based organisations. She had already

spent significant parts of her career in the non-profit service delivery sector. She described FAA as providing *"a home to the work of individual agencies in the network... a link to a national focus and back to other agencies... around professional support...* but also being *the part that enables the network to be greater than the sum of its parts... it's not just an individual seeking their emergency relief on a Saturday morning, but there is a place for that to be taken to policy and advocacy"* [Gail].

Snapshot

The work of the office covered a range of activities. When interacting with governments, FAA generally concentrated its efforts on the federal government. FAA staff met with parliamentarians from a variety of parties, government workers, church leaders, service providers and other peak organisations – across the country – during the period of fieldwork. The organisation also had a demonstrated history of making submissions and providing evidence at various government inquiries. Their work was informed by regular contact with, and visits to the service providers and Church representatives across the network, as well as a series of industry-specific network advisory committees, who met or teleconferenced regularly.

Faith Aid Australia, at the time of my fieldwork, was based in a centrally located shared community facility alongside a range of other community and non-profit organisations in a capital city on the eastern seaboard of Australia. There was a long-term plan to co-locate FAA with other Faith Church bodies at a different location and a medium term plan for FAA to relocate to a larger premises to

accommodate more workers. The mood in the office was one of casual and collegiate fun and frivolity – the office members regularly joked with each other and demonstrated the trademarks of women who not only worked, but also socialised together. However, despite the air of casual frivolity, Eddy, Gail and Silé conducted themselves with professionalism when necessary. People's attire was typically smart casual, with suits worn only on days when there were meetings or visits to parliament (Eddy had what she called her "emergency" suit hanging by the door in case of a last minute call into an important meeting).

As discussed in Chapter 3, life for me in the FAA office generally focused on the position paper work I was preparing (the "participant" side of my participant-observation), punctuated with my attendance alongside Eddy, Silé or Gail at a series of significant events. The significant events I attended included the two-day twice-yearly governance committee meeting, quarterly "advisory committee" meetings with two different groups of Faith Aid network providers, an "advocacy alliance day" at Parliament House, and budget night at Parliament House (described below). The parliamentary forum described in Chapter 6 was also a significant event that occurred during my fieldwork at FAA. Preparation work for these events formed a fair proportion of the general, day-to-day work that occurred in the office. Other day to day work, some of which I observed and some of which I did not, included things such as diary and work planning meetings, website planning meetings, brand development work, negotiating and securing future funding from the church and provider networks and "bushfire" work (dealing with conflict in the networks).

First thing on any one morning, Gail might be at her desk streaming a news podcast from a website about a particularly topical issue, busily summarising and analysing this information to send around to a list of Faith Aid organisations with a registered interest in that topic. Silé might be scanning the newspapers for other relevant media that has an impact on their work. Eddy might well be travelling or at a meeting with a member of the Faith Aid network or one of a range of advocacy coalitions. Phone calls coming into the office could be from a diverse range of inquirers. For example, one morning I took a call from a retired Faith Church minister from Tasmania who seemed to know Eddy, making inquiries about the size and scope of the network. On another day I took a call from a woman inquiring about the availability of places in Faith Aid nursing homes in her area.

<u>One key event – budget night</u>

The following edited transcription from my fieldwork journal describes my experience tagging along with the FAA women at Parliament House on the night the federal budget was announced in Parliament House, Canberra.

> We arrive at Parliament House at four in the afternoon of budget night. The public car park is already full. Gail has some type of pass that allows her to park in a particular area where she thinks there might still be car parks available. All the different types of parliamentary passes seem to me a funny kind of status symbol of insider and outsider-ness. As I wait in the Parliament House foyer for Gail to park the car and meet me, I see Eddy, who comes across to chat to me. I complement her on her appearance and she jokingly tells me she is terrified of being *fried* by the media later that night. I must admit, she looks unusually nervous, maybe more so than I've ever seen her.
>
> Eddy tells me she's just received a call from one of the departments about a "secret" meeting she's been invited to that was scheduled to occur after the "lockup". She is considering delegating attendance at that to Silé and Gail because she wants to remain present at Parliament House for the entire night, and this meeting will be held on site at the department itself. Silé and Gail arrive, we meet a parliamentarian's staffer, who greets us warmly, despite having never met some

of us before, demonstrating we're "insiders" enough to warrant being issued with an unaccompanied pass. To have an unaccompanied pass is important as it allows us all relatively free movement within Parliament House for the evening.

At 4.30pm an advocacy coalition that Faith Aid is a part of consisting of provider and consumer representatives meets at the public café to share "intelligence" and arrange logistics. There were about 20 people huddled around, 70% are middle aged men – which I find unusual compared to my typical experience of being in a predominantly female dominated environment. Eddy sees the notes I'm taking, and pointing to my scribbles about the percentages of men and women present, she comments that having 30% women present is "*good*, usually there were more men than that – this *high level stuff's* is seen as *a man's world*". The meeting starts with the words "we've got to be quick 'cos we have to go meet the PM soon, he keeps changing the time he'll meet with us". There's a lot of discussion pre-empting what they think will be announced. Not for the last time, I am reminded of students gathering before a big exam, trying to guess what the questions will be about in order to target their preparation appropriately.

There's a buzz in the air. Even though tonight is not a night when policy changes will be decided upon, or when deals will be brokered – after all, the budget is already prepared and ready for announcement – there is still an air of anticipation. Many have travelled from interstate for this day. I can only assume we are all here to demonstrate our presence and for networking and intelligence opportunities. Indeed, as the night unfolds, there is a sense that a core group of familiar faces are checking out who's here – who's making hushed plans at Aussie's café, who appears to be in the know, who has the most accurate intelligence and who looks the busiest? I recognise personalities from think tanks, advocacy groups and coalitions. Everywhere I go, and every person I speak with looks at the FAA badge I am wearing – I feel it is as if to check what part in this strange dance I am expected to fulfil and particularly whether I am to be trusted. At times it feels like a high school formal, with attendees checking each other out, watching how they dance and who they're dancing with. Coincidentally, this high-school-formal ambience is enhanced particularly by the occasional presence of a man in a tuxedo or a woman in a formal dress – there is a gala event occurring somewhere in Parliament House.

At 5.00pm, our FAA group move to Aussie's Café where we plan our moves for the evening. We negotiate who will attend the small select meeting at the department, who will attend various department lock-ins, and who'll stay at Parliament House. We need to be quite flexible to fit in with the changing arrangements of the evening and fact we are only a small group. I then go to an advocacy coalition meeting in the staff dining room to hear how things went in their meeting with the Prime Minister and his staffers – we gather around to hear the latest intelligence about what will be announced. The coalition group tell us what they believe will be the broad topics that will feature in the budget, and seek people with expertise in these areas to assist them with responses.

I pick up some take-away food and go wait at "base camp" – a parliamentarian has offered us space in their office for the evening. I try and sit in a part of the office where I'm out of anyone's way. While they all appear to be busy, it's surprisingly calm inside the office, not at all like the frantic feeling in the corridors. Gradually, more and more people – I am not sure who they are – begin to congregate in the office. At 7.20pm, ten minutes before the budget speech begins, two people from

the office go to collect the budget papers. When they arrive back, only a few minutes later, everyone drops what they're doing and immediately starts reading them. With notepads in hand and budget papers on laps, at 7.30pm we turn the TV onto the internal parliamentary station and sit down to watch the budget speech. Everyone, including the parliamentarian, is calmly taking down notes about what is said by the treasurer. I must admit, as we sit on the couch watching the budget handed down on the TV, I feel a bit like I'm in a geek's version of backstage a rock concert, or in the coach's box at a football game. I'm very excited but am trying not to show it. Everyone else seems so cool, calm and collected – I feel so naive. By the time the speech is over everyone in the office is hard at work analysing the mountain of papers for issues of interest to the parliamentarian.

Benefitting from the freedom of my unaccompanied pass, I go to the press gallery corridor to watch people "doing the boxes". I see Eddy, who's practicing her four-line "sound byte" over and over again before she says her piece in front of the cameras. When she gets up to make her statement, I take some quick photos of her surrounded by hundreds of microphones. The next day, everyone loves the grandeur of this photo, and it is used prominently in the FAA newsletter. Eddy seems to be very busy talking with a range of people, many of whom I don't know, it feels like the pinnacle of the night's buzz is right now.

At 8.30pm I go down to the staff dining room and we all regroup – the FAA women are back from their various meetings and lock-ups. We debrief about what had been happening: I ran through what was said in the Treasurer's speech and they told me about the lockup and the "secret meeting". The lockup included about 170 people from the industry including about 15 people from the department – the sector and departmental people are carefully labelled with white and green name tags. Each Deputy Secretary gave a speech about their measures. There was time for only a couple of questions before everyone wanted to leave in order to be able to read through the information provided. The "secret" meeting consisted of about 10 people, including a couple of the departmental deputy secretaries. At this meeting the department covered information in quite a bit of detail that was particularly relevant to one part of the Faith Aid network.

From soon after 9pm we go back to "base camp" and prepare media releases for the network and the press. We went through the budget papers to find the detail of the measures announced in order to develop responses. The media releases include completing a series of templates pre-prepared for the purpose. By about 11.40pm we have finalised these press releases and we email them on to the media contacts. Although to our disappointment, we discover that the parliament media office had closed at 11.30pm. This means that our press releases would not be "boxed" until the next morning. We finish for the day leaving Parliament House just before midnight. Gail mentions a few parties she's heard of – hosted by the various political parties. However, we decide not to go to these because of the importance of being seen to be non-partisan.

All in all, FAA was an organisation seeking to establish itself as a national player in social policy advocacy. Developed from an identified need in the network for a

space in which national issues were considered, it was in an unusual situation: FAA had been established much more recently than many of its church and provider counterparts and yet it inhabited a prominent position. It aimed to bring together a previously disparate network consisting of some already high-profile state based organisations, yet its status and legitimacy in its own right were still emerging. Eddy and her team attempted to deal with this by seeking to "score goals", presenting a flexible, responsive, high level and professional profile to those outside the office, maintaining a loyal and committed, jovial and tight-knit group on the inside. Eddy's leadership was visionary, ideological and charismatic, with a strong focus on faith, networking and building alliances. Gail and Silé both saw Eddy clearly as the leader of the organisation, with their work dovetailing each other's and complementing hers.

Difficulties faced by FAA were to do with expectations that it be everything to everyone with very limited resources and a desire to sustainably secure these resources from a wide and disparate group of organisations. There was also the potential for tension between the goals of FAA to represent "poor and marginalised" with representing its network of service providers. The identity of the provider network *as a network* was evolving and organisations involved were incredibly diverse – thus, there was varied buy-in to FAA's work. Both the advantages and disadvantages of FAA's existence within the Faith Church were evident – with the hindering effects of any large institution's history and bureaucracy but the benefits of its established and strong voice.

4.3 The Provincevale Community Centre

Within a three hour drive of its nearest capital city is Provincevale, a small regional town with a population of 13,000. Provincevale serves as a service hub for the surrounding areas with a hospital, mental health facilities, Centrelink and Medicare offices, banks, post offices, state government and local council offices all located in its small town centre. In many ways, at the time of my fieldwork, Provincevale was a booming town and was experiencing growth and population increase. However, it also experienced high levels of disadvantage. In particular, features of the surrounding area included higher than average levels of unemployment, single parent families, people with disabilities, families living on benefits and high levels of domestic violence protection orders and child protection notifications. So while Provincevale was a thriving town in a growing region, it had also a darker underbelly of disadvantage and need, with many disaffected community members requiring support.

In the central area of Provincevale was the Provincevale Community Centre (PCC). The PCC was an organisation established in 1980 by a group of community volunteers, which had been receiving state government funding since 1987. At the time of my fieldwork, the PCC was a small non-profit organisation with an annual turnover of less than $500,000, with 70% of this income coming from government funding for program delivery. Of the PCC's expenditure that year, around 70% went towards "staff costs" (wages, consultant fees, superannuation, salary sacrifice, worker's compensation and holiday pay). These two figures are both slightly higher than the average income and expenditure amounts reported by the Australian

Bureau of Statistics, which suggests that on average, 55% of a non-profit social service organisation income is from government sources and 62% is spent on labour costs (Australian Bureau of Statistics, 2009).

Between 40 and 50 volunteers and students were involved in the work of the centre as well as 12 paid part-time workers (11 of whom were women) filling the equivalent of 6 full-time positions. Most of the positions were not permanent and none were permanent beyond the scope of any service and funding agreement – of which the longest was three years. Most of the staff at the PCC had been working in the community or health sectors for a majority of their careers and were earning full-time equivalent incomes of less than $60,000. The number of people recorded as visiting the centre between November 2006 and September 2007 – to attend programs, meetings or dropping in, including visitors for the numerous events and groups run out of the centre – averaged at over 1,000 per month.

The PCC had five service agreements with three state and federal government departments to provide early intervention parenting support programs as well as community services and development projects for a range of people, including people from culturally and linguistically diverse backgrounds. Priding itself on being a "generalist" service provider, the PCC advertised its activities through photocopied pamphlets and a newsletter available at the centre – the PCC had no website although its contact details could be found on a couple of "community access" websites. These services and activities included, but were not limited to: information and referral; a social issues library; a parenting support program; playgroups; community development projects; a multicultural community program;

community education and workshops; micro-finance and financial skills assistance; mental health support; Aboriginal and Torres Strait Islander support and education; a savings and loans circle for people on fixed low incomes as well as events for volunteer week, seniors week, NAIDOC week, international women's day and harmony day – typically facilitated by PCC workers and run by target group volunteers aiming to build their skills, confidence and social networking.

In addition to the projects and programs for which the PCC was directly responsible, its grounds and meeting rooms were used by more than 66 external groups to conduct activities ranging from domestic violence counselling to yoga classes and from narcotics anonymous meetings to Ramadan celebrations. The income (and "management fees") derived from these room rentals provided 25% of the PCC's annual income at the time of my fieldwork there. The PCC was also involved in a number of other initiatives. For example, it was part of a non-trading co-operative with other similar non-profit organisations and partnered with a state peak body in a project implementing the state government's uniform baseline procedural standards for all community service organisations.

The PCC described its mission as "*building community by working together*" and its activities as "*inspired by a vision in which people experience healthy relationships and create sustainable communities that are safe and just...* working *with community members (individuals, families and groups) to assist in establishing and strengthening their formal and informal sources of support within the community*". The underlying values and principles were: community involvement; working for reconciliation; celebrating cultural diversity; connecting and belonging;

empowerment; development; mutual partnerships; knowledge, education and training; responsiveness; transparency and accountability; pro-activity; sustainability; and social justice. Its goals included to develop and deliver programs which addressed the needs of the community using an action research process and to sustain a vibrant, dynamic, quality community organisation.

PCC was governed by a management committee consisting of seven people and had about 30 members – a mixture of individuals and organisations. The management committee met every second month, meeting once during the fieldwork period, with sub-committee and working group meetings held in between each management committee meeting. Some members of the management committee were also in regular attendance at the centre, performing various tasks such as signing cheques, assisting with preparation for the annual audit and supporting the management of financial systems, representing the centre to visiting guests, and even working as the paid cleaner of the centre. The management committee of the PCC delegated responsibility to the coordinator for the initiation or preparation of tenders or funding applications and were not clearly engaged in leadership, lobbying or fundraising for the PCC. Instead, their role appeared to be supporting the work of the organisation with their professional expertise or enthusiastic encouragement when necessary. The PCC was involved in a number of coalitions and networks. During the period of observation, the relationship with government – as observed through the interactions between the non-profit and government – included telephone conversations, visits by public servants and politicians to the PCC, and report submission.

Key character

Unlike the fieldwork experiences at FAA or Robwood, fieldwork observation at the PCC primarily focused on one key informant, Kelly.[14] Kelly was the part time "coordinator" and senior community worker at the PCC and had been working there for seven years at the time of my fieldwork there. The position at the PCC had been Kelly's first job after she'd finished her social work degree, where she studied as a mature age student. Kelly spent her early career working primarily in the community sector. Kelly planned to resign from the PCC within six months of fieldwork commencing, to begin her own PhD research about a particular style of community development practice.

Kelly – a feisty and lively woman in her early forties – described herself as *"a bit go getter-ish"* with *"a lot of energy"* who was *"driven and a workaholic."* She felt this complemented the PCC's status as having *"a little bit of a leadership role in the sector"*, doing more than *"just what's adequate"*. For Kelly, her role as the "coordinator" of PCC was about "taking responsibility" for the organisation. Despite her passion, or possibly because of it, Kelly described herself as tired of working at the PCC, particularly of spending her weekends doing PCC work, but she was also very anxious about leaving – *"it's like a family"*. Others in the organisation saw Kelly as an inspirational leader, passionately committed to her style of professional practice.

Snapshot

At the time of my fieldwork there, the PCC was housed in a typical, big, old-fashioned building in the style of those in the neighbourhood with bright indigenous-designed murals painted on its letterbox and fence, giving it a welcoming and grassroots feel. When you entered the front door of the centre, the walls were covered in pamphlets and posters advertising community events and programs, with slogans from social justice campaigns abounding. The "front line" worker sat at a desk in an office shared with three others, including myself. Her desk was at the open reception window and she fielded the broad range of enquiries from people that entered from the street. For example, one morning, a middle-aged man came to the front desk inquiring about a work-for-the-dole form to sign and we directed him to someone who could help him. Later that afternoon a pregnant woman walked in from the street, she'd been shopping in town when she started to have contractions so she'd come to the centre asking them to call a friend to come and collect her!

The feel at the centre was one of a warm and inclusive community – on any day you might find a local housing cooperative hosting their annual general meeting in the meeting rooms at the back of the centre, a local group of people with mental illness preparing food to share in the community kitchen, or a group of women with culturally and linguistically diverse background preparing goods or a grant application for an upcoming festival. Many of the workers in the centre spent their time both based in the building and out in the community, and a whiteboard in the main office kept track of where everyone was at any time. On the tea room

refrigerator at the PCC there was a photo of Kelly, Linda and the (now former) federal government minister responsible for the portfolio which funded one of the PCC's programs. Rather cheekily, one of the workers framed it with a piece of paper that said: "Wanted, Reward $20,000".

A day in the life

A typical day in the life, shadowing Kelly, involved following her from one meeting to the next – often with long drives between each meeting. The following narrative describes one such day:

> Kelly and I meet at the PCC in the morning before heading off to her first meeting for the day. She gets me to drive because she's still working on her laptop preparing for her presentation as we go. She's been asked by the coordinator of the Multicultural Community Worker Program network (which Noni – another of PCC staff members is a part of) to present about community work, to help the network *"get a common language, a common understanding of community development work"*. In the car on the way to the meeting, Kelly gives us a rundown about the history of this particular funding program and this associated network, or, as she describes it: *"the dirt... there's always dirt..."*
>
> "Originally this program started out funding only a few workers across the state – but recently it expanded and took on another 20 or so workers. This expansion led to tensions about the model of professional practice being employed by the different workers. *The problem is that the department is funding a style of professional practice without realising or understanding what that means...* so there's been a struggle for us because some of the goals included in the reports that Noni has to fill in don't relate to the work she's doing – and these goals keep shifting and changing, it's moving from one style of practice to another style of practice – it's quite a problem... When I was preparing the original application *you had to follow* the departments' *guidelines.... but the aims are broad enough that you could put your kind of stamp on it, which is really very good... you find with this community* work *type funding, because governments don't really* understand the work, *they make quite broad goals and performance measures [laughing], and that's sort of good for us... because then we can just sort of mould that to what we think are the local needs..."*
>
> *"So now the reporting isn't in line with what we said we'd do in the original application, instead the reporting is in line with what they want to see... and there is no process for Noni to report on the things she does in her reporting mechanism.* So she's had to kind of make it up in a sense. *We made that decision early on that she would still report on it,* the stuff she does that isn't included in their criteria... *she was anxious because there's a whole section on advocacy reporting and she doesn't*

really do that, so she only gives minimal reports in that section, about the things she does that could be interpreted as advocacy... *so we'll see, I said 'we'll just write bits and pieces of what you do, don't worry too much'..."*

"And, anyway, there's no formal MOUs between PCC and the rest of the people in the network or the others who are funded by this program, so there's no actual obligation for Noni to even take part in the network, although she does, because it's good to share the support with the others. Even the network coordinator, *his organisation have no formal MOU with PCC as part of the funding agreement,* so *he'd better watch his p's and q's because he can't tell Noni what to do – we are her employer and we say what she'll do..."*

We arrive at the meeting venue and Kelly gives her presentation. It is late by the time she starts and so it is cut short – with Kelly covering only a fraction of what she'd hoped to. I was disappointed and felt she didn't get the chance to address her core aims. I ask Kelly if she felt the multiple hours of preparation and driving were worth it to give that presentation for that length of time to that group of people? My question is plainly loaded, because *I* am wondering if it was worth it. I ask her how she decides about prioritising her work? She replies: "when I was at uni we were encouraged to spend quite some time considering our *'practice framework'*, and for me, one of the things which frames my work is an *'educative'* practice framework – I seek out opportunities to educate others. And, yeah, sure, there are different types of educational opportunities and that one back there probably wasn't the best..."

On our long journey to the next meeting, our conversation wanders from one topic to the next.

"We'll get the $1,000 grants... a lot of managers won't... and it's probably as much effort to get a $3,000 as a $30,000 but the little ones give you a bit of creativity... and you can do so much good with two and a half grand..."

"With our board, I try and recruit people who either live in the area, or have some kind of connection to the PCC in some way... ...I think that's the better type of committee but usually those people aren't very skilled, so I had to train them... to get them to think how they should be thinking and it's a very invidious position for me to be telling them how to think..."

"I'm the coordinator but I don't act in a hierarchical way, I don't make any decisions without consulting with everyone... because I've empowered my staff, we're all on the same page, we're all heading in the same direction and we know what we're all doing and it's all good..."

On the highway we stop at a bakery to buy a sticky bun to share at the meeting we're heading towards, which we reach 90 minutes later. The group is a government initiative about developing good governance procedures for community organisations. It is held at another community centre. There are seven of us at the meeting, six women and one man. The attendees are all either organisation managers, leaders, board members or sole workers – people responsible for their organisation's compliance with government standards. Today they are looking at an "exit policy" for staff and clients. The aim is that together they provide each other with peer support as they implement these standards.

The members of the group are concerned that an "exit policy" is relevant only for a specific style of service delivery, and to many it does not seem appropriate for their style of work. How do you implement a policy about "client exit" when your work with homeless people is typically once off? They talk about the "stupid" and "frustrating" data collection forms they have to fill in for the government, and how "when you ask a vulnerable and homeless person if they're from a culturally and linguistically diverse background, they just look at you like you're weird." When the meeting starts to get bogged down in these definitions, Kelly recommends they avoid getting *"trapped in the words of these things"* and they should *"try and get back to the essence of it".*

The board member present has placed plastic post-it marker tabs throughout the manual denoting the different sections. Some of the group members marvels at the thought of having a budget for buying that kind of "plush" stationery. I am reminded of this later on in my fieldwork when, at the request of the staff, I present the PCC with a paper cutting guillotine as a farewell and thank you present for welcoming me during my fieldwork. I find this small detail intriguing, especially in the knowledge that according to the annual report, the PCC had an operating surplus of $60,000 the previous year, surely enough to buy a replacement guillotine or other types of "plush" stationery. However, I remember what it is like to work in an organisation with a strong cultural commitment to frugal spending practices from my days working as a community occupational therapist.

At 2.30pm the meeting is brought to an abrupt close when one of the group remembers she has to go to another appointment. They book a time for the next meeting. We discuss how it is a lot of work required to meet these requirements – it takes hours and hours of time "out of your service delivery" just for the $7,000 they are given for it. One group member wearily comments: Does it make a better service – all this checking? Faced with the imminent challenges of organisational memory loss in the wake of her upcoming departure from the PCC, Kelly contests this, saying that *"well, if a good longstanding worker leaves, everything leaves with them."*

Kelly then drives us back to the PCC. We debrief from the meeting and discuss a variety of issues, like the way she feels government turns a "blind eye" to some of the things that happen in the sector. When we return to the centre we set up for a long afternoon preparing for the PCC's annual accountability meeting with the department. This involves completing a 25 page pro-forma report, which is approached with a chorus of groans. There is some confusion about to what part of the organisation this report relates. Its focus is on the procedural and governance aspects of the organisation – although Kelly believes it only applies to just one of the several programs that run from the PCC.

"We've been told that you only have to fill this in about programs that are greater than $50,000. Well, I haven't heard that officially, but I did hear it on the grapevine, and I don't expect to be hearing things officially from them at the moment anyway, because they had such trouble filling the position, we've hardly been hearing anything from them."

The process is therefore complicated by the fact that the program which this report is related to makes up less than 20% of the funded activities at the organisation, yet the questions often relate to the activities of the organisation as a whole.

There are numerous requests in the report to supply supporting documentation, which causes Kelly a fair bit of stress – "we'll run off the whole frigging insurance policy and all the frigging board of management minutes... do we have to submit a hard copy or an electronic copy? Last year it was just an electronic copy but this year I don't know... We've never been asked for this level of detail before. We've only ever been asked for an index for our policies and procedures manual before – not the actual policies themselves." The preparation for this report continues for the remainder of the afternoon and into the evening. I am exhausted by the time the day is over. Kelly and I are the last to leave the building for the day at 6pm.

The actual meeting between the government representative and Kelly about this report occurs after my fieldwork period at the PCC. Kelly agrees to discuss it with me on the phone, so the day after the meeting happened, I telephone Kelly to talk with her about it. *"Our new government officer, she's taking a different approach compared to previous annual reviews. She's a dot-the-i, cross-the-t sort of person, so there was a lot more checking up, if you know what I mean... it felt like an audit; 'show me this, show me that' and there was a lot of me getting up and going and getting things and bringing them to be viewed. So that was different, I've never had that before... I guess... that's the way things will go in the future, so that was interesting... it's another example of the ramping up of the bureaucratic approach that government now does with us... and she said that they will come every quarter and check on things... it will be interesting to see if they stick to it given in the past they've said they'll do things and they don't do them."*

"They also said that we should have had the meeting in the evening so that someone from the committee could have been there... that's very different expectations to what were there in the past.... it felt like the whole new world order thing... no one said can we make sure someone from the committee is there... no one said that prior to the meeting, it's just then when you don't do it and they say 'oh, why isn't there someone from your committee here?' ...Whereas before I would just email the document in and I didn't get any feedback at all, no feedback, no visit, no nothing... zero."

"Do you remember there was a question on that thing, about 'the organisation has a copy of the service agreement'? ...I thought it was such a ridiculous thing, and so I just ignored it, I thought it was absurd, and she pointed that out, she said "you haven't responded to this" and I said 'I thought you were joking, what do you mean... of course we have a copy of it' and she said 'yeah, but lots of organisations doesn't even know where they are, and they haven't read them and they don't know what the contractual agreement is with the department', so that's the level of some people they're working with, so you know, fair enough."

"I thought 'I've got to get to know this new player and give them what they want.' Although I'm not really sure what they want, but anyway it'll be all right... With this, it feels like every different personality will do something slightly differently... it's all dependent on the personality of the bureaucrat... So that's why I'm saying I just have to get to know this person... 'cos that's the way she wants it done... Just after my meeting with this bureaucrat, I went to another meeting where I saw a colleague and friend of mine. *He has his* meeting with this same government worker *next week, and I warned him, I said to be prepared, this will be a different process to what we have had before and what you have experienced before. So it*

> *will be interesting to see what others think, when word gets out, when a few of us have done it."*

All in all, the PCC was an example of a classic grassroots community based multi-function organisation. It sought and claimed to be of the community, was supported by a number of volunteers, and its location, appearance and reputation mean that you can never be sure who will walk through the door and present themselves seeking support or assistance. There was structure in the PCC's staffing system in as much as the workers all knew Kelly was the boss and they deferred to her with any questions or problems. However, as she states, Kelly actively sought to co-ordinate the centre and its workers in a collaborative and consensus-reaching manner, and there was no shortage of workers providing input into the direction of their own work and the work of the organisation. The difficulties for the PCC were archetypal for such an organisation. Such difficulties consisted of an experience of under-resourcing by the over-stretched part time workers and volunteers, lurching from one funding grant to the next supported by an enthusiastic but time-poor and under-skilled voluntary management committee.

Like that of Eddy at FAA, Kelly's leadership of the PCC was also visionary and ideological. Unlike FAA, however, the PCC was a small but well-established organisation in its area. Kelly's role was often focused on defending the trademark style of professional practice employed by the workers at the centre – through educating others about this style of practice and through forming cooperative relationships with other similar organisations. As an extension of this, Kelly was not afraid to voice her opinions, and was clear about other organisations, practices or

actions that she felt were not acceptable. In this way, a strong feature of her leadership was in the defining of organisations, people and practices as similar or different to the PCC and its philosophies and practices.

4.4 Robwood

At the time of my fieldwork, Robwood was a large, faith based, multi-site organisation providing a range of services for about 2,000 children and families on any given day. Established about 100 years ago, Robwood had 650 staff, a budget of more than $40 million, of which around 80% was government funding, with an investment portfolio of more than $100 million earning an annual return of more than $6 million. At the time of fieldwork, Robwood ran more than 80 programs from 27 locations across the state, with its central office based in that state's capital city. Robwood held more than 120 contracts with 12 government departments. Funding provided via these agreements ranged from less than $500 to more than $4 million dollars per agreement, averaged at about $300,000 per agreement ([Robwood], 2007b). Robwood's major expense was in staffing costs (60%).

The range of programs provided by Robwood included family and community centres, parenting support programs, supported play groups, education programs for parents and children, as well as youth programs, out-of-home care and intensive family support. In addition to its service delivery, Robwood also operated research, policy development and advocacy functions, with its vision, aim and purposes all revolving around making "*a just and safe society for all children, young people and their families*" ([Robwood], 2007a, p.1). According to its annual report for 2006/07,

Robwood workers presented at a number of conferences, released numerous press releases and had "*more than 20 meetings with politicians (State and Federal) and senior government officials*" ([Robwood], 2007a, p.41).

At the time of my fieldwork there, Robwood was an extremely well resourced organisation – as it stated in its strategic plan "*we are... in the position of having a robust and financially viable organisation that is well placed to provide leadership, advocacy and direct services for children, young people and families across* this area... *We have positive relationships in many areas of policy and service delivery...* and *we have both the capacity and the reputation to grow our research and training and make our resources available to other agencies*" ([Robwood], 2006, p.3). Key issues identified in Robwood's 2006/07 report included that it had increased its service outlets and expanded the number and content of its programs, it had engaged in a campaign for the rights of children, and it had engaged in research and had established a training institute.

The ten members on Robwood's board of management were all highly qualified, well connected, award winning, successful business and church-affiliated men (six) and women (four) – from private industry, the non-government sector, the church, or in retirement. Their role was in guiding the strategic direction of Robwood, and maintaining a link between the organisation and the church. During the period of my fieldwork, while I did not get a sense that their role was to *initiate* or suggest new directions or projects for Robwood, they had a strong presence in the process of *approving* organisational directions or actions. Especially for contentious issues, I sensed that the workers in the organisation felt the "buck" stopped with the

board. In this way, I formed the impression that they acted as a sort of invisible moral barometer, overseeing the position or directions recommended by the senior staff during difficult phases of organisation transition.

Key characters

Originally a Social Worker, Kaye, the CEO of Robwood, had extensive experience working in the human and community services – both in government and in the non-government sectors. Having worked at Robwood for seven years, and approaching her retirement, Kaye had strong opinions about social justice, policy and service delivery and was a vocal participant in public debates around the issues in the sector. I imagine she would have proved a formidable foe, and I once heard her joke about having been "kicked out" of government minister's offices for voicing her strongly held opinions in the past. Kaye was involved in the state-based, sector-specific service provider peak body and was in direct contact with both state and federal politicians and bureaucrats.

Kaye's approval and direction were pivotal driving forces behind the senior workers' actions and decisions – for example, these senior workers would report back to her immediately after controversial meetings, and would use her directives as their guiding light when navigating difficult or confusing territory. I observed Kaye taking on a variety of leadership roles. She was a talented facilitator, able to clarify complex and intertwined issues, and generate a consensus opinion from a group of otherwise adversarial participants. Kaye also demonstrated decisive and authoritative leadership at times, such as when unexpected events caused time

pressures to mount considerably. As the CEO of Robwood, Kaye saw herself as having "*the responsibility for both the outcomes for the* service users *with whom we work and the overall structure and sustainability of the organization*" [Kaye]. Many others both inside and external to the organisation saw her as the visionary figurehead of Robwood – she was well known and well respected in the sector and admired in the organisation for her astute skills in strategic leadership.

One of eight senior directors, Ronan had worked with Robwood for 13 years, spending most of his time in the organisation coordinating and managing a range of its regional and rural services. While normally an operational director, Ronan was "off line" during the period of fieldwork to oversee and coordinate a range of organisational development activities such as the preparation of funding submissions. Ronan was a frugal, cautious and pragmatic operator, with a careful eye for detail, who is described by others in the organisation as having "*exceptional*" skills in developing and forecasting budgets and navigating spreadsheets. Ronan was also well known for his work in the sector for these skills in costing and forecasting, which he had contributed to sector-wide initiatives to understand the *real* or *true* cost of service delivery.

Ronan was also a social worker and held a masters degree in health administration. He had worked in both the government and non-government sectors over the last 30 years. Ronan was very passionate about the quality of service provided to the vulnerable target group supported by Robwood, and spoke emotively about this in extreme circumstances. However, Ronan's typical mode of operation was to use logic and reason to support his arguments for high quality service delivery.

The four other characters to feature in the Robwood narratives are Sophia, Stan, Monty and Julie. Sophia features below in the snapshot depiction of Robwood. Stan, the Chief Financial Officer of Robwood, features in Chapter 6 (6.2). Julie, who features in Chapter 6 (6.3), was Robwood's senior manager responsible for government relations. Monty, usually one of the senior executive directors, was the acting CEO of Robwood during my final week there. Typically, Monty's job involved heading up a branch of Robwood that had up until recently been an independent organisation. Speaking from his perspective as both an outsider and insider, Monty had some fascinating reflections on the difference in his experience, formerly as the CEO of that organisation – with no independent reserves of funding and one which operated in what renowned as a tightly contractually controlled environment – and his observations of the way that Robwood operated.

Snapshot

During the period of my fieldwork, I visited seven of the 27 locations from which Robwood delivered and coordinated its services. These sites varied greatly depending on their function; from the grassroots and hospitable child- and family-friendly community centre to the foreboding, heritage listed head office, to the modern and slick service offices of the research, policy development and advocacy branch. Life at Robwood was in many ways like that in a large service-delivery bureaucracy, with protocols and proforma for various organisational procedures such as making funding applications, preparing internal income and expense reports or engaging with the media and there was a sophisticated intranet and Wide Area Network system for internal communication.

There was a strong sense of hierarchy at Robwood, with multiple layers of management and the numerous centralised functions of head office, such as the human resources department, not always well received by the workers in the field. One amusing encounter I witnessed in the tea room of a regional office involved the half-in-jest fury of a service outlet coordinator, enraged by a directive given by the centralised communications and branding team to display a particular type of sign on the front of the community centre for children and families that she coordinated. This sign had a particular type and style of organisational logo on it – it was formal and official in its appearance. She felt the sign was "not welcoming" at all, was outraged that she be instructed to comply with such a directive, and planned to "decorate" it with child-like finger painting to make it more family- and child-friendly.

Despite such centre-periphery tensions (classic difficulties of any large organisation), there was a strong sense of collegiality and organisational identity amongst the workers I met during my fieldwork at Robwood. Many of these workers had been with Robwood for several years and passionately believed in the mission and values of the organisation. Practices of organisational culture building and reinforcement were strong, and the organisation's leader, Kaye, was very well respected and admired throughout the organisation. For example, I knew of at least one senior executive who had sought to work for Robwood specifically for the chance to work under Kaye's leadership. Even the more reserved workers I spoke with in passing admired Kaye's leadership and strength.

The contract compliance process

It is difficult to find a representative example of a key event or a day in the life at Robwood, on account of the incredible diversity of experiences of the 650 staff in the organisation. The two key events I observed and traced throughout my fieldwork – negotiating the EOI process and meeting the minister – are given lengthy descriptions in Chapters 5 and 6. Below is a short narrative describing the work of Sophia, the Robwood administrator who is responsible for managing its many government contracts.

> About a week into my fieldwork at Robwood, while attending a meeting with Ronan at one of Robwood's regional head quarters, I have a conversation with one of the senior managers about my research. She asks if I've seen examples of the contracts and service agreements they hold with the various departments. When I say "no", with her eyes rolling, she takes me to her PA's room which has three filing cabinets full of contracts. She starts to describe the very detailed process established by the administrative section at head office about how it all works, and giving up on this description, recommends that I go to see Sophia, the woman at central administration who coordinates it all.
>
> I make a time with Sophia, the PA for Robwood's Chief Financial Officer, and when I arrive I'm struck by her office which is virtually filled with bookshelves containing coloured folders full of the contracts, service agreements and funding agreements that Robwood holds with various government departments. I reflect to Sophia how it's clear to see evidence of what I've heard about Kaye, the CEO's "growth agenda" – it's obvious that there are considerably more folders full of contracts for the current year than for previous years and about twice as many as a few years ago.
>
> Sophia has grouped the contracts according to the government department they're held with and then as a secondary grouping by the region they're in. Previously she just grouped the agreements according to the region but she'd changed it, finding it was more convenient for her to group the contacts according to department. This was in part because of the different reporting requirements from each department, but also an effective way of trouble-shooting any unexpected idiosyncrasies. For example, if she received a random and unexplained invoice in the mail from a department for particular amount of money, it was easier for her to identify what this invoice might be for if she had all the contracts for this department grouped together. She stated such idiosyncrasies or unexpected practices were not uncommon.
>
> Sophia holds a register of all the contracts on eight interlinked excel spreadsheets, and is working on converting this database into a specialised database aiming for more efficient data entry and reports. "Now, if Kaye rings me up wanting to know how many programs we have from a particular funding stream, I can do that, but

generating the reports is a cumbersome process and could be done far more efficiently" [Sophia].

Sophia uses this database every day – new contracts are constantly coming in and there's always contract management work to be done. The contract management aspect of her position gets very busy particularly during the annual acquittal process – which is about to begin – because she has to coordinate that across the entire organisation. When she receives a copy of a new contract, Sophia reads through the contract and establishes a electronic file of compliance events for the program. Sophia then gives each director across the organisation a monthly prompt to check the register to see what reports are due and if necessary to then prompt the program managers about what's due. Some reports go straight from Sophia to the funder, others are left up to the program manager in the field. This delegation is streamlined and recorded on the register according to the requirements of the reporting.

Some departments provide funding for a range of programs in one payment, often grouped according to the location of the government office out of which they're regionally administered. Robwood then allocate this funding to the particular programs and managers according to formulas they've derived. Some programs have their own specific reporting templates while others are happy for generic income and expenditure reports to be submitted. There have been some reporting requirements where a compromise between the department and Robwood has been negotiated. For example, Ronan and the Chief Financial Officer recently negotiated for Robwood to supply just one full audited statement for the whole organisation to a particular government department, instead of several audit reports for each program funding stream within that department.

Typically contract reporting also requires a description of program activities, outcome reporting, a "certificate of currency", insurance details, and so on. Sophia has a list of the requirements for each funder, which she gives to the program manager to provide. As Sophia and I finish our discussion, I compliment her on organising such a thorough system for what appears to be a complicated and finicky process.

In summary, my picture of Robwood, developed from fieldwork spent mostly shadowing the senior executive team, was that of a very well established organisation which sought to maintain a high level of quality service delivery to a vulnerable population about which it was passionate. The difficulties it faced often related to its size and the fact that within the last ten years it had changed from being an organisation in which "everyone knew everyone" to one currently where "you might walk past people in the corridor and not even know who they are"

[Ronan]. Because of its independent revenue, it had always been able to provide what it saw as a high quality of service delivery (for example, by paying its staff above-award wages), even when this meant that it needed to "prop up" funding it received from government for these services. This independent revenue also meant it was able to initiate new and innovative service delivery programs as well as foster a strong and prominent research and policy arm – two functions which took pride of place, next to the quality of its service delivery, in its organisational identity.

4.5 Conclusion

In this chapter I have provided an introduction to the three cases, with a description of the key characters and an outline, snapshot and narrative illustrating life at the organisation. The aim of this chapter has been to provide an overall feel for the different sites, providing a broad brush stroke backdrop to the subsequent chapters which describe in much greater detail the experiences of the workers in each organisation as they respond to pressures from government. This backdrop highlights in particular the similarities and differences between three different organisations.

In many ways, my experiences at each field site were vastly different. After all, the organisations themselves were different – particularly in terms of their size and scope. Robwood was a large organisation, while both FAA and the PCC were much smaller. FAA did not provide direct services, while the PCC and Robwood both did. Robwood had by far been established for the longest period of time, with the PCC

having been in operation for around two decades and FAA established more recently. The PCC had its focus solely on a local and discrete regional area, Robwood's tentacles reached far across the state while FAA sought to represent a national network and Australian people more generally. While I did not seek to select a "representative" sample, it was appropriate to select organisations that were structurally diverse, not only from a theoretical perspective, but also because this reflects the heterogeneous population of NPOs in Australia (Leiter, 2005).

However, there were similarities too. Both Robwood and the PCC provided some services for families with children. Each organisation was full of committed and passionate front line and senior workers. There was a strong sense of professionalism across each organisation, and a particularly strong commitment to particular forms of professional practice or a particular ideological basis from which professional practice stemmed. Each organisation aspired to be, or saw itself, as a leader, embodying a particular set of principles and values. In particular, this set of principles and values was one that firmly advocated for social policy and service delivery which appropriately and fully supported vulnerable and marginalised people – often described by the participants generically using the words "social justice". Even though I saw little evidence of systematic, ongoing and direct input to service delivery or work prioritisation by those who received it, their voices rang clear in the ears of the workers I shadowed and were at the forefront of the drive underpinning their work.[15] Such values – and dilemmas about the congruity of organisational values and service user values – are a common experience for NPOs (Nevile, 2009).

The following chapters build on the organisational and character backdrop described here, as the stage is set for scenes to unfold. The narratives that happen next describe a range of key events from each organisation as the participants responded to pressures experienced from government. A theoretical lens for analysing and interpreting these narratives is proposed, applied and later built upon. Through doing so, the similarities and differences in the organisations involved in this study prove to serve an illuminating role on the experience of responding to pressures from governments.

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[13] Note: in accordance with my confidentiality agreements to ensure each case's anonymity, references to documents or websites affiliated with the cases are also de-identified.

[14] Other people associated with the PCC are also mentioned during some of the narratives. Please note that all of these people are referred to by pseudonyms.

[15] All three NPOs had occasional and ad hoc mechanisms for creating a space to hear the voices of their service users, and all were certainly keen to develop more systematised systems for this input. Robwood had recently begun conducting an annual event that focused on gathering the opinions of its services users. This event had great potential for directing service delivery into the future and was possibly already making a diffuse impact on the perspectives of its leaders. However, during the time of my fieldwork, despite the pride with which Robwood staff spoke of the event, I did not at any stage hear anyone specifically refer to its findings as they went about their work. Despite this, Robwood staff (as with the staff at FAA and the PCC) all demonstrated deep knowledge of the needs and strengths of their target populations. Unfortunately, it was not within the scope of this research to investigate specifically how the workers developed and added to this implicit knowledge base.

CHAPTER 5

COMPLIANCE STRATEGIES

5.1 Return to Oliver

The following four chapters analyse the data from this study using Oliver's (1991, p.145) framework and typology of organisational "strategic responses to institutional pressures". This framework was introduced, described and justified as a lens of analysis in Chapters 2 and 3. Oliver groups organisational responses into five categories, *acquiescence, compromise, avoidance, defiance* and *manipulation*. She sees these strategies as existing on a continuum of *least to most active and resistant* – where acquiescence is the strategy which is most passive and least resists institutional pressures, and manipulation is the most active and resistant. Data relating to acquiescence and compromise are presented in this chapter. Avoidance, defiance and manipulation are presented in Chapter 6. Oliver also predicts when an organisation will utilise one particular strategy in favour of another according to a range of ten predictive antecedents which are features of the institutional pressures themselves. Data is presented and analysed according to these predictive antecedents in Chapter 7. Additional themes arising from this research are explored in Chapters 8 and 9.

The purpose of presenting narratives here of acquiescence and compromise, and later of avoidance, defiance or manipulation is of course not to seek to "prove" the existence or otherwise that the participants and organisations in this study utilised such responses. Seeking to prove such a finding would be more appropriately

pursued through other methods. These narratives serve instead to illustrate the process by which such responses occur. In this way, my deep ethnographic exposure to the data allows for rich and "thick" descriptions about the interplay between the many factors involved in each narrative (Geertz, 1973). Narratives and examples which are used in the next four chapters have been specifically selected for their ability to shed particular and, at times, cumulative light on the phenomenon under investigation; introducing and building on analytical concepts as the exploration deepens.

Throughout the narratives, the focus of the study remains on the experience of the participants and their organisations primarily as they responded to pressures from "government". While Oliver (1991) and others recognise a broad range of directions from which institutional pressures may stem (Woodward & Marshall, 2004), it was necessary to draw at least some boundaries around the phenomenon under investigation. As the primary focus of this study is the nexus between non-profits and governments, the findings reported below focus on this. The definition of "government" shared by the participants throughout the course of fieldwork included both its administrative and political arms.

5.2 Acquiescence

According to Oliver's framework, the strategy of "acquiescence" is used when an organisation simply and passively accedes to the institutional pressures placed on it through habit, imitation or compliance. Acquiescence via *habit* occurs when an organisation adheres automatically to "preconscious or taken-for-granted rules or

values" (Oliver, 1991, p.152) such as to employ managers or administrators, to register with the Australian Taxation Office (ATO) or to conduct their work ethically. Acquiescence via *imitation* "refers to either conscious or unconscious mimicry of institutional models, including, for example, the imitation of successful organizations" (Oliver, 1991, p.152). Acquiescence via *compliance* is where an organisation "consciously and strategically chooses to comply with institutional pressures in anticipation of specific self-serving benefits that may range from social support to resources or predictability" (Oliver, 1991, p.153).

Acquiescence, Oliver argues, will occur when:

- an organisation is likely to gain high levels of legitimacy and economic gain from compliance;
- there is a small number of constituents or stakeholders on whom the organisation is highly dependent;
- the institutional pressures are consistent with the goals of the organisation and the level of constraint on organisation's discretion is low;
- there is a high level of legal coercion involved in exerting the pressures and these pressures are generally and diffusely accepted in the field; and
- both the levels of uncertainty and interconnectedness with other in the field are high.

Instances of acquiescence in all three field sites in this study were easy to spot. The three organisations I observed all demonstrated all three forms of acquiescence at some stage in their work. They adhered to many taken for granted rules or values such as employing people to lead, administer and do the work of the organisation. They were all answerable to organisational governance structures (albeit, sometimes involving complex, church-related governance structures). Imitation could be observed, for example, in how the PCC drew extensively on generic governance and administrative policies and procedures, adapted from examples provided by various peak bodies on the internet. Imitation was also a feature underpinning Eddy's push for an expanded organisation; she would point towards her counterpart church national bodies with greater staffing levels as one of many strategies when arguing for similar conditions.

For Robwood, imitation played more of a role as a benchmark indicating if it was falling "behind the pack". Robwood did not appear to regularly imitate other agencies, viewing itself as a leader in the field. However, when its performance or circumstances did not mirror that of its peers, this could initiate a strong organisational response. Compliance with specific institutional pressures exerted by "government" was also observed in all three agencies. For example: I observed how the PCC strictly complied with the ATO self-reporting requirements for a public benevolent institution (PBI); how Robwood complied with contract management practices; and how FAA were careful to demonstrate its compliant "we won't bite you" approach in parts of their relationship with government. Examples from FAA and the PCC are given below, along with my analysis of each.

"We won't bite you" – Eddy and FAA's response to a major government announcement

Much of what I observed and heard about at FAA was in relation to their role at the time as an intermediary between government and one part of the Faith Aid service delivery network. There had been significant ongoing interactions back and forth in the six to twelve months preceding my fieldwork there and a key communication forum between the provider network and government occurred during my fieldwork at FAA. In the lead up to this forum, Eddy described to me the background of these interactions:

> "We'd had input into the development of social policy in this particular field for a number of years, and it intensified in the year leading up to a big government announcement about it. About eight months out from the announcement, the minister attended a meeting of our providers. The minister was seeking a broad position statement from us about what aspects of a possible future government initiatives *could be tolerated*, as well as a statement on the viability of such future possible initiatives."
>
> "At that time, we spent some weeks preparing these statements. *We could've decided not to... but we didn't. We decided to develop a national position, we did a whole lot of work on it...* We did that *because I thought it was important for* our *network to know it's own mind... for everybody to actually say 'here's where we stand,' so... that we could say... 'Minister you need to know this is the position of the network, this is the nationally determined position through our governance structures'... Basically it was... saying 'we won't bite you...'* Because quite a number of years ago our church had made some strong public statements about a particular government proposal, and we believe that we still feel the ripples of damage done to the relationship with government at that time."
>
> "So, the weekend that this big social policy initiative was announced I'd been away from mobile phone coverage with my family, and as we stopped on Sunday lunch time for a meal on the way home, I checked my phone. There was a message on it from the minister's chief of staff, who had called me late on Saturday to give me a rundown of the announcement the following day – because you want to *warm your stakeholders up when you put out something that big...* I realise that there would have been other stakeholders who would have received calls about the announcement before us, *it's all about where you fit into the scheme of things...* but I think *terrific, because a few years ago we wouldn't have been on the calling list at all...* So I called them back and was on the phone to them for about half an hour, while they provided me with the details of the announcement."
>
> "I think you have to be flexible with this kind of work – a colleague who sits on my governance committee *will often say 'now, just slow down a minute* Eddy,' *and I'll*

say 'no I can't slow down, there's this thing that's just come out from government and if we don't ride the wave then we're stuck.' And because we've built up relationships of trust, they'll say 'fine', and they'll say 'are you sure you need to do it now?' And we'll say 'yes' or sometimes the answer's 'no' but sometimes if it's fast, then you get signoff and you get people involved, so it's not just one of us... going in to a meeting or representing the network, but instead it has sign-off from a national network."

"So then I spent the rest of the car ride home describing the details of the announcement to some key stakeholders within the provider network while we figured out what the pitch of our media release response should be. *A large part of why we put out a media release on that day was* about *wanting to keep a good relationship with government because if you don't have access you don't have influence. But we were very clear what we would be looking for in the detail of the initiative and we were very measured...* We were glad that what we put out first was quite tempered; we didn't have to do a back-flip later on, because we found some flaws in the announcement later on after looking at it in detail. *That's why it's important to know who you are... it's very easy to be seduced into 'we're the government's best friend'... but when government's selling a policy, they want you for your support - and you have to remember where your loyalty is, which has got to be to Australian communities all the time..."*

"So then over the next few weeks our people across the service provider network analysed the initiative in depth. We were able to operate as a conduit for information during that process, attending small invitation only and larger briefing meetings with government and passing that information on to our service provider network, as well as bringing people from across our network together to consider the initiative."

"I was laughing just the other day *with* another colleague from one of the provider organisations who helped us analyse the announcement at that time. *She was saying 'oh, everyone in* that organisation *loves the way you guys work down here because we're always involved and you get us involved.'* I laughed and expressed my sympathy to a couple of their senior staff members, *'cos there were several weekends there* earlier this year *where they worked with me almost all the day on Sunday, over the phone and email to crack the numbers, and I was so appreciative of it, and* she *said, 'no, they loved it, because they were feeding straight in to government through you guys' and it's such a quid pro quo because we couldn't've done what we did... without their knowledge. It was taking their knowledge and the knowledge of the other providers together, and that's why FAA has the access that it has and why we have the influence we have because people know it's not just me speaking, and that's why* my busy schedule of constant travel around the country, meeting with the providers and the church representatives is *really important* so that I can maintain those relationships with people across the country in our network."

"So anyway, in the end, we figured out there were some ways the government initiative needed to be changed. But *at that point you can't provide valuable policy input,* it's *done and dusted... all you can do is try to ameliorate some of the scratchiest edges... I think good policy input starts at as much of a 'green fields' as you can do in the real world... What are we trying to achieve? What's the purpose? Who's it for and how do we best achieve it? Given all the givens... the constraints...*

> But *we never got a chance as a sector to do that and I think that's literally and seriously a tragedy for Australia..."*

This is an interesting example of FAA seeking to "put runs on the board" in their relationship with government through acquiescing – within clear limits – to the pressure from government to state their position and broadly support the government initiative. The key balancing point here appeared to be between the capacity for this acquiescent strategy to give the organisation what it needed, such as "runs on the board" and secondly the internal organisational desire to act with integrity and authenticity about "what could be tolerated". Here the FAA women needed to consider proactively using acquiescence as a tactic to meet organisational goals such as to increase the organisation's "access" and therefore its "influence", subsequently also increasing their legitimacy and future economic gain. This response also met the internal organisational goal to build a unified network voice, thus building the strength of the organisation as a representative of the network.

A counter-balance to this instrumentalism of acquiescence was the need to ensure that the content of what they were doing was consistent with the values of the organisation and network. In other words, FAA's tactical response pivoted around one that was "tempered" enough to maintain consistency with organisational goals, but acquiescent enough to comply fully with the institutional pressures from government. Here, the strength of the potential future benefits (including their perceived limited capacity to influence policy at that late stage) and the relative

consistency between the announcement and network position ended up tipping the balance away from a more resistant strategy.

In terms of Oliver's (1991) framework, my interpretation of this episode is that the participants here believed acquiescence would lead to increased legitimacy and therefore economic gain. There was at least congruence, if not consistency between the institutional pressures and organisation goals. Only one stakeholder, government, was involved – on whom the FAA was highly dependent for its legitimacy. All such factors led to an acquiescent response, in accordance with Oliver's predictions. There were high levels of uncertainty and interconnectedness. Eddy was only told of the details of the announcement the day before its release, and she knew FAA's response would be closely monitored by both government and provider and church networks. Therefore, as predicted by Oliver, these factors all combined to produce the "tempered" but still acquiescent response – where their more resistant criticisms of the model came out only after detailed analysis. Acquiescence occurred despite the low and moderate levels of legal coercion and voluntary diffusion of norms, which Oliver suggested would lead to a more resistant response.

As far as the women at FAA were concerned, acquiescence was the response that would best meet their overarching organisational goal to gain future "access". As summarised by Eddy: "terrific, because a few years ago we wouldn't have been on the calling list at all". The constraint of working for "several weekends" was also ameliorated by the fact they felt they were "feeding straight in to government". In

other words, despite the moderate levels of constraint, the participants' perspectives of the positive by-products made acquiescence worth it.

The low level of trust in the relationship and awareness of being *"seduced"* by government into being its *"best friend"* when it was *"selling"* its policy – an interpretation Eddy made based on the history of her relationship with government – seemed to be the key feature leading to a possible increased level of resistance. It was this factor, which sits outside the Oliver framework, that brought in a hint of compromise to a narrative otherwise all about acquiescence.

Overall, this narrative demonstrates that perhaps not all of Oliver's predictive antecedents carry equal weight in every circumstance. Here, Eddy's overarching goal to have access (and therefore influence) was arguably one of the strongest underpinning factors driving acquiescence. Instead of Oliver's predictions about factors drawing the response towards a more resistant one involving compromise rather than acquiescence with government's requests, it was the history and low trust of the relationship, a dynamic, negotiated and interpreted factor, rather than a static characteristic of the pressures themselves, which did so.

<u>The PCC and its PBI tax status compliance</u>

> One of the first things Kelly mentions on my first day with her at the PCC is that:
>
> "PCC is a small organisation, and so *I feel like I have to be a lawyer and a tax officer, have a business degree* – for example dealing with the requirements of PBI, Public Benevolent Institution, tax exemption. You now have to do an annual review of your status to see if you're still compliant with the requirements – which is a change from something that the government previously did for you. The PBI is important for us because it means the PCC is fringe benefit tax exempt and can offer its staff salary sacrificing, effectively meaning you can offer people a higher salary, which is important because it's so hard to get and keep good staff."

"We've prepared a workshop about how to do a PBI self evaluation to share with some other organisations. Although, we don't really want to share it too widely, *we're are keeping our cards close to our chest, because we don't want the heavy hand of the law coming down to scrutinise* – just in case we're not doing it right."

So, a few days later, I sit in on the PCC's workshop about how to self-assess if you're compliant with the PBI status. There are about ten people involved in the two hour workshop from four or five similar organisations, all of whom have close working relationships with the PCC and have been invited to attend. Winston (the assistant coordinator) and Kelly together describe to the group what it means to have PBI status, and how they ensure that PCC continues to be complaint with it:

"We did a *time probe*, where all the workers kept detailed records of how they spent all their time for a period of a week, to make sure that a majority of our work – which we're assuming is at least 51% of what we spend our time on – is about what the tax office calls *directly alleviating poverty*. We've also had a meeting about it with our office administrator to check that 51% of what happens overall in this building is about alleviating poverty."

The subsequent discussion initiated by the group members centres around the definitions of "alleviating poverty" to which Kelly responds:

"It's easy for a homeless shelter to determine if it is still eligible for PBI, it's clearly alleviating poverty but it's more difficult for our organisations to do so. The words included in the ATO definitions aren't even in line with our philosophy here... helping people who are "suffering", experiencing "helplessness" or "misfortune" – *it's not very strengths based*. It's difficult, because our model of practice, the whole point of our organisation, is that we do work that's *indirect* – but this definition talks about organisations that *directly* work towards alleviating poverty – like where a client comes to you for food or shelter. I mean, we still work to alleviate poverty, but just not always in a direct way. It's difficult. So *we've self evaluated and have found that we still do comply, but whether a tax person would also assess us as the same is unknown."*

None of the other organisations represented in the room have any system in place for ongoing checking of their compliance with PBI status and one worker is amazed at the level of effort that the PCC have gone to in order to do this – such a thing wasn't even on her "radar". She asks Kelly what prompted her to instigate this process. Kelly goes and gets a rather innocuous and standardised letter, kept on file from the ATO which describes their on-line annual reporting process. This online annual reporting process includes that you must tick a box stating your organisation is still complaint with its PBI status. Kelly wasn't sure exactly whether the PCC was still compliant, and so she developed this process to find out whether they could keep ticking this box. Some of the others present marvel at how they have ticked that box without considering its implications, assuming if they were compliant before, when they were originally awarded the status, then they'd still be compliant now. There is some discussion about how much effort should go into checking ongoing compliance, but Kelly is adamant:

"It's important because *it can affect whether you decide to take on new programs or not*, 'cos if you take on a big new program it might tip you over the edge of not complying with the PBI stuff. And we've heard of one organisation not so far away

being *audited by the Tax Office*. I'm not sure if there are penalties if they find you've done something wrong – I guess you could be asked to pay back the money that's involved in salary sacrificing back, although we haven't heard of anyone having to do that. If you at least can show something like due diligence of the management committee, then *the person I spoke to* at the Tax Office *said you'd be less likely to have to pay back the salary sacrifice, but you'd just have your PBI status scrapped.*"

The discussion in the room turns to what kind of records need to be kept to prove this compliance: "What is due diligence anyway? Is it enough for us to just minute that we've noted that we're still complaint with the PBI regulations it in the management committee minutes or do you need to keep the full paper trail, where we demonstrate how we've figured this out? The other organisation I've heard of, the one who was checked by the ATO, they came out and went through the records."

Other discussion questions include: How do you measure the full activity of your organisation? By staff hours? By money spent? What about for the activities that occur in the centre's rented rooms but are run by people who are external to the centre? And how do you define people on the poverty line?

Kelly says: "It's difficult because we don't know for sure how the ATO will actually do these reviews, and in all honesty the way they do it will probably vary with each auditor. I mean *they'll probably just look at all this and say 'OK'*. There aren't any guidelines from the ATO about this. I knew someone whose friend used to be an Australian Tax Office compliance officer – and she said they would get a bonus if they found out things about the organisation that were wrong. It's not like before where it was very laid back. Now you have to be more and more like a *business – you have to think like an ATO person when you write to the ATO.* Although, it's a helpful process too, it helps to help *keep in mind the core work of your organisation*, it's *good to reflect* on what you're doing."

In this instance, at Kelly's initiative, the PCC is zealous in its compliance with the PBI tax status and this narrative demonstrates clearly how Oliver's predictive antecedents impact on Kelly's decision to acquiesce. In most ways, the "prediction profile" hypothesised by Oliver is identical to Kelly's interpretation of the PCC's situation. For Kelly, the two biggest reasons for her commitment to compliance are the penalties if they are found to be noncompliant and the uncertainty about if they'll be "audited". In other words, from Kelly's perspective, the PCC is likely to gain high levels of economic gain from acquiescence, and the environment is very uncertain.

The importance of economic gain from compliance is especially pertinent when considering the PCC in relation to the other organisations in the workshop that day, in that the PBI status was very important to the PCC. One workshop participant represented an organisation which did not even have the PBI status yet, he had come to the meeting to learn more about PBI status, so PBI status compliance was irrelevant for him. Another participant in the workshop – the one for whom such a process was not on her "radar" – was the only employee of a one-person organisation, possibly making the economic impact of non-compliance seem less significant to her. However, it is impossible for me to make definitive claims about this as I did not discuss the issue with any of the other workshop participants and I do not know whether these other participants implemented the process after attending the workshop.

The implications of the penalties if they were found to be noncompliant were heightened due to their effect on the PCC's capacity to offer their staff salary sacrificing, which makes them an employer with comparative advantage when recruiting and keeping staff. As is evident in her conversation about the potential to be audited, Kelly's uncertainty is heightened by the fact that her environment is highly interconnected and therefore she knows of another organisation which has been audited; because the requirements for self assessment have only recently been introduced and there are no guidelines for them; and because she does not know precisely what the consequences for non-compliance are. I do not know if the other people in the room also knew about the auditing of the nearby organisation, but it is interesting to see how Kelly's own interpretation about the

likelihood of being audited based on experiences from her highly interconnected environment, comes through strongly as a theme causing her, in part, to push for this zealous compliance.

There was really only one constituent placing this pressure on the organisation, the ATO, and Kelly perceived the PCC to be highly dependent on them for their tax status and also that they had the "heavy hand of the law" behind them (in other words, there is a high level of Oliver's "coercion"). These pressures to comply are consistent with the organisation's goals, even though they are worded differently and have a different philosophical basis. Such consistency – meaning also that Kelly can see how the PBI compliance checking process has positive side-effects as she takes to opportunity to reflect on the core business of the organisation – helped to counteract the effects of the moderate level of constraint placed on the organisation in the process. There is only a very low level of diffused voluntary norms about complying with the PBI – it is not widespread practice amongst Kelly's colleagues to be so vigilant. However, I believe the reason this does not affect the tactic of acquiescence here is that Kelly sees the PCC as a "bit of a leader" in the area and showing initiative like this is consistent with this role (especially considering that the PCC hosted the workshop describing the process to allied organisations). I further discuss and compare the role of each of Oliver's tactics across the three sites in Chapter 7.

One thing that is particularly fascinating about this narrative is the shared and dynamic experience of defining what it means to comply. The process of defining compliance and resistance is a theme that arises regularly at all field sites and

across each organisational response. This narrative broadly supports Oliver's framework – the antecedents generally, although not always align closely to those suggested by Oliver. This narrative also raises significant additional themes – such as defining what it means to comply – and begins to suggest leadership or initiative and personal experience as an explanation for when the factors do not fit.

5.3 Compromise

Because acquiescence is sometimes considered to be "unpalatable or unworkable" by organisational elites (Oliver, 1991, p.153), Oliver suggests that organisations compromise and "may attempt to balance, pacify or bargain with external constituents" (p.153). Oliver defines compromise as occurring in three ways – balancing, pacifying and bargaining. *Balancing* refers to when an organisation seeks to "achieve parity among or between multiple stakeholders and internal interests" (p.153); *pacifying* refers to when an organisation continues to do something considered undesirable while simultaneously seeking to pacify the sources that consider it undesirable; *bargaining* occurs when an organisation seeks "some concessions from an external constituent in its demands or expectations" (p.154).

Oliver predicts that compromise will occur when:

- an organisation is likely to gain low levels of legitimacy and economic gain from compliance;

- there is a high number of constituents or stakeholders and the organisation is highly dependent on at least some of these constituents;

- the institutional pressures are moderately consistent with the goals of the organisation and there is also a moderate level of constraint on organisation's discretion;

- there is a moderate level of legal coercion involved in exerting the pressures and these pressures are generally and diffusely accepted in the field; and

- both the levels of uncertainty and interconnectedness are high.

For Oliver, the big differences in this "prediction profile" compared to what was predicted to lead to an acquiescent response are that the amount of legitimacy and economic gain to be acquired from compliance are now low instead of high, and the number of stakeholders is now high instead of low. Smaller changes entail moderate instead of high or low levels of consistency, constraint and coercion. In other words, if, in 5.2 above the PCC did not believe they would potentially lose significant economic gain or legitimacy from complying with the PBI requirements, or if FAA had a great range of stakeholders with vastly differing opinions on how they should have responded to the announcement from government, then perhaps their responses may have been to compromise instead of acquiesce. However, unlike controlled experiments, this study reports on real life, where circumstances cannot be manipulated.

These real life experiences regularly threw up instances where the leaders I observed perceived the need for compromise. Overall at each site, the stage was well-set for compromise: all the participants were regularly required to *balance* the

expectations of multiple stakeholders and internal interests, and these expectations were sometimes conflicting. At FAA, for example, Eddy was acutely aware of the balancing act required in following her organisational vision to advocate for poor and disadvantaged people with some pressures from the provider network to represent providers. At the PCC, Kelly needed to balance the organisation's "commitment to noncompetition" with her board's directive to seek funds to extend the PCC building when she discovered that a nearby organisation had already approached the local developer from whom she would have otherwise sought philanthropic support.

However, it was at Robwood that the experience of compromise shone through as a very strong theme in many of organisational responses to institutional pressures that I observed and was told about. One extended narrative was a particularly obvious example of such compromise – the experience of Ronan negotiating a range of expressions of interest (EOIs) submitted for a particular form of service delivery for children, young people and their families with the state department responsible for community services. This stream of events covering the full month of my fieldwork (and more) quickly became a strong focus of my observations at this field site and are described below.

Robwood's EOI negotiation

> On my first day at Robwood, Ronan provides me with an extensive briefing and introduction to the sector as we travel to his first meeting for the day. He speaks rapidly and with obvious substantial knowledge and a long history of involvement with the sector:
>
> "This type of service delivery has been in dire straits for a long time. In the last fifteen years there have been numerous parliamentary and committee inquiries,

various commission, council and reference group reports, particularly criticising the department's way of running things and basically just saying how stuffed up it all is."

"More than a year ago, as a part of a large five year package, the state government announced a package of around $100 million of recurrent funding for this particular type of service delivery that we are experts in. An EOI – expression of interest – process was announced for this funding, and the department advertised it as being for a range of different things, like for the NGO sector to increase its capacity, to do new things, broaden innovative service delivery, provide different types of services and that sort of thing. It was a bit of a 'go for what you like' kind of thing. They didn't give any specifics about what they wanted, they just talked about the number of kids in each region that needed a service. It was really exciting – it felt like there was a lot of potential and opportunity."

"We developed an organisational expansion plan for this funding, which included a really big set of bids, and we took it to the board – it was essential, of course, to have the board onside. I described it as a *once in a lifetime* opportunity, with the funding a *good fit with the core business* of Robwood, that it was *ethical* and likely to be in the *best interests* of the kids we work with. My presentation to the board also highlighted that if we were successful on these bids, the level of government funding of services of this type would increase substantially, reducing the extent to which Robwood financially props these services up – which was something they were happy to hear, and something that was in line with a strategic decision we'd made a couple of years ago to stop co-funding things that were, in our opinion, programs which government should be fully funding. The board were keen, so my role was to prepare more than 30 EOIs for services across the state worth more than $50 million recurrent. Everyone was getting really excited and wanting to put staff on before they'd even been approved any of the tenders – I had to get people to slow down. I had hoped at best we might win about $14-15m worth. But we've only been offered $4-5m worth. This is *disappointing – and infuriating, really."*

"So we submitted those EOIs almost exactly a year ago, and the department said it'd get back to the sector soon, but didn't do so until eight months later! Then, when the minister announced it, all the department did was to put a list up on the website, which didn't really tell anyone much at all, just who was *successful* and who wasn't, and *there were a lot of mistakes in the list ... we were put down for things we never bid for! We were down for at least one area where we don't* even operate in... *And they broke apart* the models we submitted... *for example, our flagship model is* this particular style of service delivery that is all integrated, *all one model, and they broke it up and said, 'well, we'll talk to you about* that part of the service delivery, *but not* the other part...' So *we will talk* to the department *about that, but it's a little different to what we had in mind, because it's all* supposed to be *a part of the integrated model."*

"And then some new players like this other organisation which has been around for only a few years, they *actually got a guernsey in* a rural area where we provide most of the services, *to do* a type of service delivery *which it is sort of around the same sorts of* clients that we work with, *so what is that about?* I understand *there is an expression of interest process, and there must be probity, and fair play, but we thought we had it in on that one. So when we sat down for negotiation I said 'just for the record, I want to tell you how utterly disappointed and actually angry we are*

about that decision,' and they said 'oh, we can negotiate around that...' I said 'that's great, but we weren't on the list.' But now, *we are doing that* – we're negotiating around providing that service after all. It's *quite interesting given how much emphasis is put on the word probity.... in the end if you read the documents from the beginning they sort of were written in a way so that it gave* the department *lots of options to say they will do whatever they like. It's a bastardisation of the whole probity thing really in a way... it is messy."*

"Anyway, a couple of months after the minister's announcement of the 'winners and losers', we had still heard nothing more about it – the department hadn't contacted us to start negotiating the contracts. One of the head honcho's in our parent organisation was meeting with the minister about something else, and said 'look, what's happening here? You've announced this but none of it's happening yet...' and the impression I got was that the minister didn't actually know that! The minister thought it was all out and happening after the announcement! So after that we noticed a lot of rapid activity in the department, I guess the minister must have put some heat on the department."

"So as I said, about $4-5m of our submissions were 'successful'. But now, even though these EOIs were supposedly considered successful, the department is still saying to us that our costs are too high. And they have made a big deal about how the funding is 'rolled up', where the intention is that you never need to go to go back to the department for another cent of money for the services delivered. So you have to cost for the peaks and troughs of all that into the future. So we've got to cost for stuff like orthodontic work as well. But when I said that at the last meeting, one senior department officer said that these days, orthodontic work is just trendy! I couldn't believe it!! I mean, quality is so important here, you have to do this stuff well, this is high risk stuff, you're dealing with people's lives – not just the production of some widget in a factory! Government *hate us and they love us* – we do good work, but it costs them – it's the tension between needing us and loathing us."

Hoping to elicit an informative response from Ronan, I make what I guess is a potentially controversial statement: I mention how "it's a bind – that government can't afford all the things that Robwood wants to provide", and I suggest that "perhaps it's fair enough they ask Robwood to decrease its costs."

Ronan replies "well, that's their problem, it's too risky, you try and take an inadequately funded, substandard service proposal to your board to approve, they'll say 'no way'. I'd rather that we do the things we do well, than do too many things badly."

We arrive at the meeting we're travelling to: it has specifically been organised and run by the peak body for providers in the field to discuss this particular EOI negotiation process, and is attended by about 20 women and five men representing a range of services. As the meeting starts, while the facilitator is attempting to fix the data projector, he asks people to share their expectations and experiences of the relationship with the department during this process. An agitated and extended uproar ensues, begun by Ronan's comment: "I'd expected them to at least have read my documents and my EOI document – I put a lot of time into that..."

Once the data projector has been fixed and the uproar has subsided, the facilitator presents his analysis of the situation. He emphasises the importance of each and every organisation's CEO meeting with the head of the department – I can see Ronan nodding and indicating that the Robwood CEO, Kaye, has already done so, while some of the representatives of smaller organisations catch each other's eyes and raise their eyebrows, as if to indicate the impossibility of such a suggestion. The facilitator also highlights what he sees are the key negotiating points. For example, he encourages the organisations *not* to compromise on the model of service delivery, stating that the department "are between a rock and a hard place, so let's at least do our bit well". He also reminds the participants of the importance of professionalism during the negotiation process – recommending that people do not "wear your anger on your sleeve, if you do, you'll just be cut off".

At one point a couple of the larger organisations, again, led by Ronan, discuss in general terms their caseload ratios and unit costs, I notice some of the others writing these figures down. Frustration is vented about the difficulties in negotiating with a department that is both a funder and a provider – and the inequity of provision conditions between what the department does and what it expects the non-government sector to do: "they have teams of workers dedicated to things that our workers are expected to carry in addition to their caseloads, and they can afford to buy in lots of external support for their ancillary functions, I find it hard not to say 'but you do it, so you should fund me to do it too!' when we are negotiating this stuff". Tips are shared about how to ensure that the organisations are funded for the full cost of their service delivery including these ancillary and administration aspects and about the efficiencies of scale that can be achieved through servicing a large client group.

The workshop draws to a close with the group agreeing to raise some issues with the head of the department through the peak body. I find it difficult to tell if there is a positive or negative feeling in the room as we leave – I'm tempted to summarise it as negative, however it seems almost as though the participants are so accustomed to such adversarial and unsatisfactory experiences that it's hard to say.

Ronan and I then travel to his next meeting at the department's head quarters. He meets another Robwood executive, Emma, at a café nearby as they plan for the meeting together. This meeting is about negotiating the specifications of funding and models for one of their "successful" EOI submissions. I ask Ronan what he's done to prepare for this meeting: he states that after they'd been told by the department that their costs for this particular part of the EOIs were "too high", Robwood's CEO, Kaye, had asked him to prepare a paper detailing the reasoning behind these costs (which, instead of being the government department's indicative "high" level of $37,000 per client per annum is, in Robwood's estimation more like $50,000 per client per annum). He feels the difficulties in negotiating are exacerbated by the high turnover of staff in the department, and their distinct lack of corporate memory. I remember his comment earlier that day; that the department hadn't even read his full expression of interest submission, and I marvel at his effort to prepare more written material for them.

The department have not given permission for me to attend this meeting, so I wait outside for the duration – about an hour. As they walk towards me on their return,

Emma summarises the meeting with the words: "well, I think you can just about see the steam coming from Ronan's ears!"

"Oh, well, *we had a very nice conversation, but I'm just agitated now"* [Ronan].

"And *you know, you kind of feel for them on their side of the table... What they have got is... junior people or people who are new to it and really quite aren't sure what to do, so it relies on a meeting* where senior departmental people are present *to move something* along to its next stage*"* [Emma].

"Their negotiating person, who is fairly new to the department, I think she is probably a bit out of her depth to do that kind of analysis... so now out of a meeting with a senior departmental director, all that happened was that they agreed that *the next important step is that 'we'll pass it on to our economic people to have a look at it' and I think 'fine' but that is it? ...Why hadn't they* done that *a month ago?* They're pressuring us to take out some parts of the holistic funding model that we use, to take out where we've factored in the extra-ordinary costs, but *I'm not sure that it's going to get us anywhere different, whether you take it over to the left of the page or the right of the page or keep it in the middle of it is still our position* – and it still represents what it costs to do this kind of work to a level we feel is acceptably good quality" [Ronan].

"The interesting thing is that there was just a hint of nervousness *in there,* when they insisted *'you will tell Kaye about this discussion?'* [laughing] But of course, *she would be the first person Ronan would talk to...* and how they said *'our* department head *is interested in this conversation... so we will be reporting straight back to them.'* We know that Kaye *has had a meeting with their* department head *about it, and she played really hard ball with it"* [Emma].

"And in two weeks from now *the* department head *is going to the* peak body *board* meeting, which Kaye is part of, *and this will be the big part of the agenda there"* [Ronan].

"And I guess probably *the minister's office is keeping a close eye on it... a minister makes all the difference"* [Emma].

"Mmm... If we ended up walking away then all hell would break loose... There would be repercussions. And I'm sure they understand that" [Ronan].

We bid Emma farewell and move on to the next meeting, debriefing as we go.

I ask *"So what happens now?"*

Ronan replies: *"I have to report back to Kaye now, and Kaye* will *be thinking – 'well did you push it enough? Did you?' I'm glad I had Emma there because I think we stated everything quite clearly. You can't do anything more than that... what's the next step? It's not like you sit there and demand that they solve this right now. I mean Kaye's first response was – 'we'll just walk away' but she won't. She won't yet. She'll want to sort it out..."*

"We have a board meeting every month and Kaye was thinking – I could see what she was trying to do... she said to me a week before the previous one *'you need to go and tell* the department *they must give us an answer before the board meeting*

because I want to take it to the board. And I said 'I don't think that's going to happen, Kaye' and she said 'no, we're going to be proactive here' and I said 'why this board meeting?' 'well, it's just a strategy'... She wants to create the scenario in the department's *mind that our board might well tell them to stuff it... fair enough, so I said all that, but of course... I didn't get an answer... It'll just drag on..."*

By the time I see him two days later, Ronan has sent an email to the minister's "minder" about his dissatisfaction with the process, stating:

"Our position on this is that while we appreciate there may be less funds available to the department *than would adequately service all children and young people in care at the levels we propose – the solution is not to do many things badly vs some things really well. "*

We are driving to a meeting and he receives a phone call from a departmental officer who calls to clarify some items in the budget he's submitted. I can hear only his side of the conversation which goes on for some time, for example:

"...the dental stuff, that budget line is about the client seeing the dentist... yes, but that Commonwealth program, well, that's only for one assessment per year, that's not actually for any treatment, so you still need to pay for dental treatment... well, with orthodontic treatment, let me explain, if 50% of our service users have to get orthodontic treatment, that's a one-off cost of $4,500, and we've got however many service users, then it averages out as being the figure that you're looking at"

As we sit in the car in the car park of our destination while Ronan finishes this conversation, I can see that he is getting visibly frustrated with having to explain everything – he's sighing and making agitated noises. When the conversation is over, Ronan debriefs as we walk to our next meeting: "I now have to explain everything in our submission to someone who has no experience in running a service..."

Ronan's next meeting is with two Robwood managers. The meeting will be about how Robwood's failure to win growth funds for their programs in the EOI process will affect their existing service delivery: "We have to *scale down... because we're adamant that we want to do things well across the board in terms of quality. We want to... apply the* same *standards and quality... to where we* have and have not *been successful in winning the expression of interest.... that could be difficult...* I spent *my day* yesterday *preparing for* this *to give them a bit of a draft about what might be affordable... Cos yeah, sometimes, in some cases it might mean that staff might have to be found something else to do...* Or *we might just drop* some things, *and do some core stuff and maybe we'll be able to keep the same staff, but we just need to check."*

This meeting goes for two hours; Ronan has set his computer up to a projector and the three of them are looking at the complicated budget spreadsheet projected onto the screen. Robwood contributes 4% of the funding to this program ($13,911, of a $350,000) from its own revenue. There is a policy in place that it will not increase this contribution because the program is considered a core state financial responsibility. The managers initially resist the idea of losing staff, and consider other options for cost reductions, such as losing some of the other "extra add on's, like consultants" – but this is not considered a feasible possibility because of the

quality they are seeking to maintain in their service delivery. They lament, "I don't see why it's so hard to give us an extra $100,000 of all that money?" However, they conclude, "it is a shame to be losing someone good, but the department haven't given us enough money." I think back to a conversation with Ronan earlier that morning as we travelled to this meeting, about his longstanding ethical dilemma with Robwood's policy on issuing its senior staff with expensive cars as part of their remuneration package. This policy is about, of course, attracting good staff. I reflect silently on the impact and morality of all these tradeoffs that are a part of life in service delivery. Immediately following the meeting, the senior of the two managers quietly thanks Ronan for his assistance in managing that difficult process.

When I meet Ronan the next morning, before another meeting with the department about a separate service issue, he has received an email and phone call from Kaye – who had been interstate the previous day at a meeting, where – in a passing conversation with another CEO – she'd been lead to believe that another organisation had already signed *all* of its contracts with the department. This organisation is a peer of Robwood, having been established for a similar length of time and of a similar size and professional capacity. However, unlike Robwood, this organisation had *never* provided this particular type of service delivery before. It was therefore of great concern to Kaye that they'd signed all their contracts while Robwood had signed none. *"So that's the sort of put the* pressure on*, she wants to get on with it now, and she's really sort of incensed I suppose... it's a frustrating process so she wants to sort of put a bomb under it* [laughs]*..."*

In response to this news, Kaye had drafted a letter which she'd sent on to Ronan for him to check the details: *"there is a lot of stuff here that I'll have to edit. I did ring Kaye and say don't send it yet... I would feel very uncomfortable if some of the things got said in there... just in the wording, that's all..."* The letter contains reference to Robwood's long history of providing this type of service, its track record of providing good quality services and her concerns about the department's inconsistent approach. Kaye also makes some demands about the future timing and process for the negotiations. The letter concludes with a threatening suggestion that if the department should "no longer wish it to be a provider", it should submit a letter to the Chair of Robwood's board stating so immediately. I ask Ronan if he feels the letter is a "bit too assertive?" He replies: *"Yeah, there is a bit of that... it's not like I'd been having acrimonious meetings with these people... I'll just sort of try and soften some of the bits, or make some of the bits a bit more accurate... I don't mind us saying... we're sick of mucking around...* but *it's a funny sort of thing because* the department *are still the people who are buying the service."*

The following week things quieten down on the negotiation front, but Ronan emails to let me know that: *"I resubmitted all... costings to* the department *negotiators... having done the changes arising from* the *conversation on the phone... Anyway – that will still be too high so we should now get to 'crunch' time soon."*

I don't see Ronan again until the Robwood board meeting the next week, at which I discover that Kay had received a response from the department head to her letter the previous evening. Today, she and Ronan had spent some time strategising about their subsequent response. The letter of response from the department

head is circulated amongst the board members and confirms the department's preference that "negotiations continue – and that together we reach a satisfactory conclusion" however that "the unit cost that Robwood is proposing... is too high" which the departments states is because "Robwood is offering specialist staffing and professional services as part of its service model". The department states its need to work "within negotiated parameters... to prevent any inequity in service provision... which would not be possible if we were to approve a unit cost that is far in excess of what other service providers have already agreed to as a unit cost and are signing contracts."

Kaye expresses irritation that this is a *"classic divide and conquer – I'll take you into a room and do a deal with you... and people who thought they'd get nothing have done deals in order to get anything".* However, she has spoken on the phone with the department head about it today, who was *"very straight, very helpful, very reasonable. So we're not hitting a brick a wall... and anyone in* the department *that knows us, would hate us to leave this field. The minister's office would hate for us to leave this field – I've spoken with the minister's advisor about this... As a result of my discussion* with the department head... *Ronan and I put some proposals together....*

Kaye and Ronan's hand drawn "game plan" is circulated – a flow chart indicating various courses of action. The flow chart indicates the first step as clarifying the parameters of service delivery scope, and is followed by a series of compromises and strategies including: meetings between the department head and Kaye; a letter to the minister from the board; research identifying the core components of good quality service delivery; involvement of the peak body; with the final option involving a media campaign and withdrawal from this type of service delivery, or as summarised by Kaye *"if all that fails I think we are up for a big fight."* It is the board's role now to decide on the path forward, based on the advice from the executive team.

Kaye provides the context for the board's decision making process. She identifies this type of service as the "backbone" of the organisation's work in this particular area, *"in terms of numbers and money and sharing expertise across the agency... If we lost* it *because the price was wrong then we basically get out of* this type of service delivery *completely. And while it's tempting to walk away from* the department... *we don't* <u>*want*</u> *to walk away, it's been part of the agency for* a long time *and we're good at it, and if we're not in it then we can't influence it and that's part of our commitment to getting a system that works for* our clients. *But we can't go below a level at which we provide* quality services..."

Discussion ensues about where the unit cost line should be drawn. Strategies are suggested that involve taking the contracts at the price given by the department, despite its inadequacy, and seeking future opportunities to increase the funding – either through the department or external sources. Ronan identifies methods that can be used to bring the price down if necessary – supervision and management structures, the impact of economies of scale, differing costs across different metropolitan and rural areas, reducing the number of clients – acknowledging *"there's no exact science with this".* The board agree on their preference for Robwood to stay "in the game" because of its history of providing this service and its commitment to influencing policy and delivery for the service users. Kaye and

Ronan agree to seek continued negotiations with the department, Ronan leaves and the board meeting continues.

The next day I attend and observe the peak body's board meeting – a section of which is attended by the department head and one of her senior executives. About ten people altogether attend the meeting. Kaye is a board member also in attendance. On the agenda for discussion is the EOI process and Kaye explicitly voices her intention to stay out of the discussion about that topic, because she is *"embroiled in a row with them"*. The board discuss how they will approach the topics on the agenda before the department head and her senior executive arrive. They agree that while the meeting will not necessarily remain "friendly", their primary agenda is to "keep engaging" [Kaye]. The meeting is indeed very tense in parts: at times voices are raised and even tears are shed. However, by the end of the meeting, a range of issues have been raised and they come to an agreement that the department head will continue to meet regularly with the board. Overall there is consensus in the room that it has been a positive interaction.

Kaye walks the department head to her car when she leaves the meeting. Later, Kaye tells me about their conversation: *"I said to her today it feels like pulling teeth, I asked for this and you give me this, and I'm sick of it."*

I ask: *"What did she say to that?"*

"Oh, she just smiled... and she said 'what are we going to do about it?' So I said 'well, we are happy to keep negotiating now because is that is the decision we've made'... So... we do a bit more, then you go back and you do it again... we dance, we keep on dancing".

When I arrive for a meeting with the media and policy team at Robwood the following Monday, I find their office awash with excitement – Robwood has featured in a large two page spread in the weekend newspaper and Kaye has been extensively quoted along with three other CEOs of major non-profit providers in the area. No one in the media team was aware that this article was due to be published, which is unusual because they are typically the ones who facilitate such a feature. The team leader suggests in passing that it's occurred because Kaye has *"finally* returned the phone calls" of the well known journalist-author of the article. Set within the context of a current and long-running state inquiry, the article is basically a criticism of the general quality of government service delivery in this area – and goes so far as to describe the department as "beyond saving". In the article, Kaye and the other CEOs express their "profound disillusionment" in the department and suggest substantial changes that should occur to the department in a "revamped" and improved system – changes, which I'd heard the previous week, were *not* what the department head would prefer.

I am gobsmacked. I interpret the presence and timing of this article as a clear part of Kaye's strategy for demonstrating to the department that Robwood is not an agency that will tolerate intimidation by government. I immediately email Ronan with a copy of this article, stating my surprise and asking for his comments about it. He responds:

"I actually think this is pretty mild in the context of things and I don't see any 'risk' at all... for our... negotiating. The fact that all the big players are together on this...

means we are not out on a limb at all. And the article does not get into the issues of this particular EOI process at all... *So it's all good I think!"*

Indeed, as the process continues, I observe no one involved with the EOI negotiation making any direct reference to this article at all, or any obvious indication that it has had a clear and specific impact. And in a later conversation with Kaye, she confirms that this particular type of service delivery is so often in the press, that such a tactic is not likely to make much difference with government. Still, I am amazed.

Ronan's negotiations continue and continue: he meets with the department several more times, not only this particular site's EOI negotiation, but also about a range of other negotiations and issues. He continues to gather information, sounding out peers and other players through the informal conversations during tea-breaks and in-between times at network and related meetings. Ronan eventually negotiates the *"bottom line price"* down to $43,500, after much deliberation and in close consultation with the front line staff at Robwood. However, this price is still considered too high by the department. During this process Ronan also weathers some criticism from some Robwood staff who believe he has been *too* willing to comply with the department's requests to reduce their costs - "and what does that then say about Robwood?" [Manager].

After the period of my fieldwork is complete, Ronan continues to correspond with me via email, updating me on the negotiation process. With a focus on getting Robwood *"inside the tent",* Ronan makes another proposal to the board at their next monthly meeting:

"There is a way forward if we are prepared to posit an 'acceptable' price and 'play' a number of strategies moving forward. These strategies are to negotiate an initially different price, for fewer service users, as the sites *build to full operations* – a set-up and *phase-in approach* that the department has indicted *will be achievable;* that we negotiate a contract *that always allows us to come back to* the department *to re-negotiate if we find that the funding is not covering our needs;* and that, if necessary, Robwood take advantage of the allowable *5% vacancy rate at any one time... to give us the flexibility to carry an official lower unit cost whilst still delivering service at our agreed level."*

So, finally, five weeks after I had completed my month-long fieldwork placement, Ronan emailed me to let me know that Robwood and the department had agreed on an eventual $41,000 per unit price, with higher per unit prices in the two year initial set-up phase, summarising the outcome with *"it was about getting into the game rather than being left out".* In an email conversation with Ronan another month later – more than 18 months after the EOI round was originally announced – he confirmed that the contracts resulting from this part of the EOI process had *"gone up"* for departmental approval about a month before, and he was waiting to be informed of their approval.

In this lengthy story of negotiation, all of Oliver's predictive antecedents – and more than one of her tactics – are present. One of the strongest themes in this

narrative is the interconnectedness and uncertainty of the environment or, as Kaye would often describe it "we dance, we keep on dancing". The multitude of ways that people overlap was remarkable: at one point, Ronan and I attended a meeting about a completely different issue to this EOI negotiation and saw almost entirely the same cast of faces. This particular meeting then proved to be invaluable for Ronan, and he gathered very useful information during the tea breaks there.

However, unlike what is predicted by Oliver, such interconnectedness played an unexpected role in that it increased Robwood's resistance to the pressures. Finding out that the other organisation had signed all its contracts (or so she was led to believe) agitated Kay to take dramatic measures to seek a resolution – although certainly not through acquiescence. This interconnectedness with other service providers, also led to a strong and voluntary diffusion of norms, which in Oliver's framework, leads to compliance. However, these diffuse norms were not consistent with the departmental norms. Indeed, in many ways, they were norms of resistance to the department leading to a greater propensity of organisations to resist. Again, this was an unexpected influence of this predictive antecedent.

Just as two main differences in Oliver's hypothesised prediction profiles for acquiescence and compromise are the changes in legitimacy and economic gain from compliance – it could be seen here how these antecedents affected the tactic away from acquiescence towards a more resistant strategy. If Robwood had complied with the requirements stipulated by the department they would have been worse off both in terms of economic gain and legitimacy than if they fought for a "higher price" – especially so because they so strongly felt the price was

inadequate and had done so much careful work in planning to accurately guess what they determined was the "full cost" of the high quality service they were so proud of.

In this instance, despite the organisation's own substantial source of independent financial income, when it came to "the crunch" Kaye recognised the dependence on the department for funding for this "backbone" of Robwood's service delivery. As Ronan mentioned, the department are the ones with coercive control over this funding – "they are the ones purchasing the service". In other words, dependence did play a role, despite Robwood's independent "wealth". Legitimacy too was an important issue, Robwood already having a strong and well respected status – a high level of legitimacy. It was concerned about this high level of legitimacy being undercut by funding that would not pay for what Robwood considered a good enough quality of support. There were also concerns expressed within the organisation that if Robwood were to lower its price-per-unit too much, then this would possibly put it at risk of setting a precedent where it "gave in" to government pressures too easily, negatively affecting future negotiations, demonstrating the way this negotiation was not conducted as though it was an isolated event, but that it was embedded in an ongoing relationship with government, and would have implications for that ongoing relationship.

Of course, the most interesting feature of this narrative is the way it demonstrates the human story underpinning the experience of compromise: Ronan's frustration at having to explain budget lines to junior departmental staff; Kaye's anger at the "divide and conquer" strategy; the role of leadership and initiative; the way the

meaning of compromise is developed over the period of negotiation. What is also fascinating is the role of the organisation's overarching goal – that they wanted to "stay in the tent", to keep providing this type of service delivery in order to being able to keep influencing it. These themes are explored in greater depth in Chapter 8.

CHAPTER 6

RESISTANCE STRATEGIES

This chapter, the second in a series of three that specifically describe the experiences of NPOs via Oliver's (1991) framework, examines organisational responses of avoidance, defiance, and manipulation. These are three organisational responses involving "increasingly active levels of resistance to given institutional demands and expectations" (Oliver, 1991, p.157). I will look at each in turn as this chapter unfolds. Again, I do this by using a series of field-based narratives selected from a broad pool of data to which I apply Oliver's framework, exploring the connections and seeking to understand peculiarities as an understanding and application of Oliver's framework expands. Following this analysis, Chapter 7 explores the role of each of Oliver's predictive antecedents in more depth.

6.1 Avoidance

As a strategic response to institutional pressures, Oliver defines avoidance as concealment, buffering or exit:

> "the organizational attempt to preclude the necessity of conformity; organizations achieve this by concealing their nonconformity, buffering themselves from institutional pressures, or escaping from institutional rules or expectations" (p.154).

Concealment is pretence at conformity, "disguising nonconformity"; *buffering* includes efforts to reduce the extent of scrutiny and dependency, "loosening institutional attachments"; and *escape* is exit, "changing goals, activities or domains" (Oliver, 1991, p.152). One example of concealment is if an organisation

engages in a range of untypical activities specifically in preparation for a site visit from a government funder to give the impression of complying with funding requirements that it does not adhere to at other times (Oliver, 1991). Examples of buffering include decoupling front line or technical work from administrative aspects of the organisation, and escape draws on Hirschman's (1970) notion of exit, in which the organisation removes itself completely from circumstances in which it has problematic institutional expectations placed on it at all.

Oliver predicts that avoidance will occur when:

- an organisation is likely to gain low levels of legitimacy and economic gain from compliance;
- there is a high number of constituents or stakeholders and the organisation is only moderately dependent on some of these constituents;
- the institutional pressures are moderately consistent with the goals of the organisation and there is a high level of constraint on organisation's discretion;
- there is a moderate level of legal coercion involved in exerting the pressures and these pressures are moderately diffused and accepted in the field; and
- the level of uncertainty is high and the level of interconnectedness is moderate.

When reflecting on my fieldwork notes after applying the Oliver framework as an analytical device, avoidance was one of the most difficult strategies to identify distinctly. It was particularly difficult to find *full* narratives of avoidance that assisted me to form a greater or deeper level of understanding of it. Avoidance tended more to appear fleetingly within narratives that were predominantly about other issues. This made me reluctant to use such narratives as distinct examples of avoidance. For example, avoidance played a role in Robwood's final decision to settle for a lower "price per unit" (in 5.3) – where, if necessary they would take advantage of the five per cent vacancy rate, effectively raising the price per unit. While such examples were relevant and contributed to my backdrop of understanding about avoidance, these isolated snippets of avoidance seemed insufficient for in-depth analysis.

There are a number of possible reasons for the difficulties in identifying avoidance organisational responses. For one, Oliver's categories of *avoidance* through *concealment* and the category discussed in Chapter 5 (5.3), *compromise* through *pacifying* overlap considerably. Both of these responses effectively involve the NPO doing something undesirable but simultaneously seeking to assert the opposite, either by covering it up or making it seem desirable. A second possible reason is a perceived deviousness of avoidance. Morality and ethics are strong features of community service NPO practice (Nevile, 2009), and the participants in this study may have considered avoidance an immoral organisational response. So perhaps even if the participants and their NPOs were engaging in avoidance, they were not keen to let me know or see it.

My observations also could have been naïve, choosing to interpret what I saw or heard about not as avoidance, but instead as compromise or another type of response. As I discussed in Chapter 3, I was always grateful to be welcomed into each organisation for fieldwork, and perhaps I inadvertently and unconsciously reframed any instances of avoidance in another light. Perhaps, also, I was aware that the participants would be reading my accounts of their work and I was keen to understand their work in a morally positive light as much as possible.

Despite these difficulties, my fieldwork at the PCC with Kelly was the most fruitful in providing full and holistic narrative episodes of avoidance. Here I both observed Kelly intentionally using it as well as describing its use to me. The following narratives illuminate two examples of her experience of avoidance: responding to the changing characteristics of a nearby small town (Doberon) and Kelly's description of "giving the money away".

"Structural changes" at Doberon

> As we drive from one meeting to another Kelly and I are talking about her experience of applying for a particular stream of funding. She laments:
>
> *"That was something we talked about yesterday in the* supervision meeting I had with the workers... *the funding will end in June... and if there is an opportunity to apply for another round of* that funding *I would, if I was them, negotiate not to keep* the program *just to* Doberon, a nearby regional small town, *because what's happened is* since *when we started working at* Doberon, *all those years ago, the demographics of that community have changed, so, young families are no longer moving out to* Doberon, *because there's no housing out there, so in fact the children are growing up, and it's actually harder to do the work* that we do with families with young children... *there's less need, but we're kind of locked in to this* Doberon *program.*
>
> *And there's been another structural issue, we used to run all our programs out of the school, but this year they've introduced* a new school program out there *so that room is no longer available, so there actually is not a physical space where* our

worker *can run her programs out of anymore that's a safe space for children. So that's been an issue for us, because she's meant to run a parenting course or something down there and we haven't been able to do it this year... she knows she needs to do one, but she can't actually find a venue."*

I ask: "So how are you navigating your way through that?"

Kelly replies: "Not very well... I think our worker *feels that she hasn't exhausted all possibilities* for finding a location to deliver the service *at this stage, and she needs to meet the new principle at the school...*

"Have the department who fund you for the parenting program *given you any support through that?"* [Alison]

"Nup, no, we're just hoping they just avoid us [laughing]. *But when it comes to the next funding round I just hope they'll negotiate for more flexibility. Really what we should probably do is a serious needs analysis... the funding is prescribed to a sufficient level that there's not a lot of flexibility so, and you don't get the opportunity to renegotiate performance measures in mid-project. And at this stage we haven't given up hope* that there are no locations available for the work to be done there..." [Kelly]

"Have you spoken to the department about this?" [Alison]

"No." [pause] *"No."* [pause] [Kelly]

"Are you concerned that they'd come down hard on you?" [Alison]

"Yeah, [pause] *yep. The* government *officer for that program is a very in-the-box bureaucrat.* A *don't-deviate-from-your-service-plan type person.* We've been working with him for a few years now, *and in fact... we went against his advice* before when he told us we should be doing one particular thing, but we knew from the head of our national network that we should be doing a different thing to position ourselves well for future funding, *and she was dead right.* I think sometimes these *state based* federal public servants... *they hear things after we've heard them, you know what I mean, they don't have a very strong communication link with* their head quarters *obviously... So the fact that we went against our guy and just kept following our gut was what got us the funding."*

A few months later, during a subsequent follow-up fieldwork visit to the PCC, there is a meeting between Lydia (the PCC worker who is responsible for the program in Doberon) and the government contract managers. I speak with her immediately after the meeting about how it went. Half-joking, she laughs, saying:

"I must have been nervous, I can't believe it, I was sweating! I was nervous they were going to ask me questions about information that *wasn't* in my head. I showed them lots of photos and just tried not to let them get a word in edgeways to kill as much time as possible until they had to go [laughing]!! I told them lots of good news stories about things that were happing for the mothers out there, describing the community and the work I do there, to gear him up for the fact that the outcomes I'll be describing in the report are different to what he's expecting – but they are still outcomes. He wants more from it than what he's getting, but it was an ambitious project proposal and it's a complex community. Unfortunately

> the report is three months late, and I feel terrible about it, normally I like to be thorough, but because it's so late now the numbers keep changing, I just find all the administrative part so difficult and incredibly tedious... I mean, we only get something like $10,000 p.a. for this program, but we still have to fill in the same 30 page report as organisations that get $250,000 for the program, it's frustrating."
>
> Later during that same fieldwork visit, Kelly and I have stayed back late into the evening at the centre. We are working to develop a range of policies and procedures for the PCC. I am taking the opportunity of few interruptions to ask Kelly countless questions, following up on issues from my first visit. One such question is how she feels about how things are going with Doberon. She replies:
>
> *"The funding will finish in May, absolutely, we won't get refunded for that grant, and look, to be honest with you even if there was another funding round... the need... has changed...*
>
> I ask: *"So* what will you tell government when they ask *'what have you been doing with the money we've been paying you?'"*
>
> She replies: *"Well we're not* ***not*** *doing things,* our worker *does go down there* and visit regularly and does most of what's in the service agreement and *there's no benchmark, no one's saying you have to see X number of people in the year"*
>
> Our conversation moves to the broader issue around the PCC *"doing its own thing* in an environment *with accountability requirements that are going to keep on increasing."* As always, Kelly's response is candid and honest:
>
> *"Oh, we fly under the radar a bit too, we're not a very big organisation our work isn't controversial... We do good work, we actually do good work, and no, we're not doing everything that we could possibly do, but the stuff we do, we do it very well..."*

I interpret avoidance occurring here in a variety of ways. First and foremost, Kelly does not actively choose to consult with the department when the "structural issues" mean that the PCC is not on track for delivering the requirements stated in the service agreement, indeed she hopes the department will *"avoid"* the PCC. In this way, the PCC flies "under the radar". However, when a representative from the department does come to visit during my subsequent visit to the PCC, Lydia admits she "just tried not to let them get a word in edgeways". Instead, Lydia filled the meeting with positive personal stories about the sub-set of activities that *were* occurring in Doberon, *concealing* that these "good news" stories did not report on

the full range of activities contained in the service agreement. Kelly initially sees the only future strategy for dealing with this problem as *exit* – negotiating instead *"for more flexibility"* and to change the service agreement completely so that in the future it no longer covers only Doberon. On my subsequent visit to the PCC, exit appears to be likely, with Kelly expressing certainty that the PCC will not *"get refunded for that grant"*.

This narrative of avoidance is closely intertwined with a series of contextual factors, including a range of Oliver's (1991) suggested predictive antecedents. Constraint, coercion, dependence and economic gain all play a role in determining Kelly's response of avoidance here. The PCC's dependence on government for funding this program and the likelihood they might lose funds for the remainder of the program initially raise Kelly's level of concern about it. Overall, my interpretation of this narrative and event is that Kelly perceives the work of PCC as heavily bound by features of the context. For example, Kelly sees the rigidity of the service agreement as constraining the PCC's flexibility in delivering the program to where it is most needed rather than arbitrarily still in Doberon, despite the diminished need there.

The "in-the-box" nature of the government officer who administers the program increases the level of coercion Kelly experienced in this episode. This was not the only time Kelly referred to an "in-the-box" bureaucrat, and her descriptions of these *"dot-the-i, cross-the-t"* workers implied not only that they were officious and focused on strict paperwork compliance, but that this focus detracted from the *flexibility* required for suitable and appropriate service delivery. In this way, the *in-*

the-box nature of the government worker could potentially be obstructionist to Kelly's desires for the work of the PCC. In this circumstance of avoidance, the bureaucrat's inflexibility, his *in-the-box-ness* – especially combined with Kelly's negative experiences about him in the past – was one of the factors feeding the response of avoidance here.

Yet, how do these factors lead to avoidance here instead of to another tactic? I believe that while these features of the institutional pressures are important to some extent in influencing the PCC's organisational response of avoidance, broader features than just these elements set the "scene" for avoidance. This narrative of avoidance gives the impression it is a strategy of last resort – no other tactic seems feasible or practical. Kelly perceives that the "structural" circumstances make acquiescence impossible because of the changed demographics and infrastructure in the town. She also believes she is unable to compromise because of the rigidity of the contract and the bureaucrat who administers it. She is unable to openly defy the department because she fears losing the funds. The history of her relationship with the government worker does not compel her to be completely open and transparent with him. She anticipates these funds will expire soon anyway, meaning there is little point in manipulating or fighting for the contract conditions to change. This leaves her with avoidance as her only remaining tactic.

I also believe that Kelly partly chose this tactic of "avoid" – flying "under the radar" – because she could. The funding for the Doberon program was small and from a federal government department. Therefore, to the department, the size and profile of the PCC's program is insignificant, making avoidance appear to be a viable tactic.

My conviction that "because she could" is an accurate assessment, in part, of why avoidance was used is affirmed by comparing this example with another from the PCC. On another occasion, the PCC was having difficulties in implementing a program where external factors had changed. In this instance, the state government funded the program and the PCC was therefore a higher profile organisation amongst the network of providers. Kelly responded here predominantly through defiance and manipulation instead of avoidance. This capacity of a smaller organisation to fly under the radar could therefore also be one of the reasons that the PCC demonstrated more avoidance than at the other two NPOs I observed, which were much higher-profile organisations. It could also be argued that larger organisations may have more sophisticated and better concealed mechanisms of avoidance.

Giving the money away

> "A little while ago, some money had come into the region for DV (domestic violence) services... and there was no existing service of this particular type in the area – there were a few things around, some refuges and the PCC provided counselling, but *that's it, there wasn't a lot of infrastructure.* And to decide on who would apply for the funding, *the DV network which the PCC hosted... used a really good process of working out who,* which service, *would apply for this funding... Eventually* an organisation nearby *put their hands up and said that they would like to apply for it... and they got it... and they went off to start their service."*
>
> *"Well the next logical step, and this is where PCC really had to put its money where its mouth was, I went to the committee,* and said *'well, guys, we've* also *got a regional DV service,* but *we are a* community centre, *we shouldn't be doing DV work anymore, we should give our money to* the other organisation who had received the funding.' *And that was a challenge, because organisations don't like to give away money, and I had to say to* the management committee *'I guarantee...' and this was me being a bit... I dunno... I didn't really know... I was bluffing a bit, I don't do that very often, but I had a very strong intuition and I was right – I said 'I guarantee that if we give this money away I will quadruple that in community development grants, you just have to trust me on that' and they did and I did."*
>
> *"Because what was happening was the domestic violence counsellor was at court for one day per week, and two other days a week was counselling. And for the rest*

> *of the time I was the pseudo DV counsellor because we were known as the DV service, right... it's that black hole stuff... while you're doing that* type of work *it sucks you* in... *you absolutely have no time to do development work while you're doing crisis work, and you need time and space to do development work, so really, from a development perspective, it was essential that we got rid of that program..."*
>
> *"If I was just the* front-line *worker, I doubt very strongly I would have been able to get my coordinator* or my manager *and my committee to agree to that, and in a way that's why I think to bring about significant change to an organisation, to reorient yourself to a* particular style of professional practice... *you have to be the coordinator. I've seen... workers... try and do it in their organisations, but if they don't have the ear of their committee, if their boss isn't supportive, that's a barrier for them. Whereas, my committee are as enthusiastic about* this style of practice *as I am. They're all sold on it, they've all been to my courses* about it" [laughing].
>
> *"So we gave away the money on the proviso that they put a DV worker at our centre one day per week which they do... we still want DV counselling, because there's a need, but we didn't want to be managing it anymore. Which we don't... we've got an MOU with* that organisation *about it."*

This narrative of Kelly "giving the money away" is a relatively straightforward, albeit strong example of the importance of consistency between organisation goals and institutional norms, as well as the significance of pressures constraining her work, in influencing Kelly's decision to *escape,* to exit and avoid. Here the institutional pressures relating to the ongoing provision of a "crisis" service were irreconcilably inconsistent with Kelly's goals for the PCC to be a broader, more indirect community service. As far as she was concerned, this had a significant impact on her capacity to do the style of work to which she was committed. Indeed, it is the strength of Kelly's experience of inconsistency and constraint that appears to override the otherwise relatively poor match between Oliver's other predicted antecedents and the tactic of avoidance. For example, the potential economic gain from fully complying with the pressure to keep providing the service was high, instead of Oliver's predicted "low". The PCC was highly dependent on the department for the funding, and to "give the money away" was a high risk activity –

again, suggesting, according to Oliver, a less resistant response. However, it was the strength of Kelly's commitment to professional purity that enhanced her willingness to risk this financial stability.

What is particularly interesting about this narrative is the light it sheds on the process of developing such a strong value- and goal-set within an organisation: so strong that it could over-ride other factors predicting a different response. The way that Kelly has her board "sold" on her style of practice and her bold leadership are powerful precursors to this story of avoidance. Again the themes evident in the other tactics are echoed here despite this small pool of examples from which analysis could occur: the role of personal history, relationships and experience as well as leadership indicate again that while Oliver's framework is useful, it is not exhaustive.

In summary, while the opportunity to explore the mechanics of avoidance through this research is weakened by full episodes of avoidance only being detected in one of the three field sites, it is also potentially strengthened by what is learnt in this phenomenon: that organisational size and profile can make avoidance more or less viable as a response to institutional pressures. However, such findings are tentative considering the limitations acknowledged above at the beginning of this section. A lack of detection of avoidance based on my observations certainly does not mean it did not occur in the other two sites. Indeed, the argument could be made that it is relatively easier for a large NPO to decouple its front line work from its administrative reporting and through that mechanism to conceal and avoid.

6.2 Defiance

An "active form of resistance" (p.156), defiance is understood by Oliver (1991) as consisting of dismissal (ignoring rules and expectations), challenge (an "active departure from rules, norms or expectations") and attack (a vehement and intense form of challenge). Oliver predicts that defiance will occur when:

- an organisation is likely to gain low levels of legitimacy and economic gain from compliance;
- there is a high number of constituents or stakeholders on which the organisation has a low level of dependency;
- the institutional pressures have a low level of consistency with the goals of the organisation and there is a high level of constraint on organisation's discretion;
- there is a low level of legal coercion involved in exerting the pressures and these pressures are not at all broadly diffused and accepted in the field; and
- the levels of uncertainty and interconnectedness are low.

Across each field site, participants were keen to describe practices of defiance to me. These were some of their organisational defining stories and professional experience of which they were very proud, although often tinged with elements of disgust that they should find themselves so at odds with the government that

defiance was necessary. Somewhat ironically, however, the clearest experience of defiance that I directly observed – where Kaye took part in the two page newspaper article criticising the department only days after a meeting with the department head (in Chapter 5) – was later described by her more as a run of the mill tactic rather than the dazzling act of defiance I understood it to be at the time.

In those instances described to me by the participants in this study, defiance often arose as a response to pressures which were experienced as an encroachment on their professional discretion or "ownership" of the service delivery. As with the lengthy narrative of compromise in Chapter 5, there are elements of compromise and avoid which can be seen in the following narratives. However, they are presented here because of the prominence of defiance as the key underpinning tactic.

"I told him off" – Kelly and the "big stick" approach

> Kelly collects me about a 40 minute drive from where we're going for our first appointment of the day. We are chatting about all sorts of things when Kelly is interrupted by a phone call from the department: I can hear them discuss, amongst other things, the department's upcoming annual reporting visit. She's surprised to hear that the department officer is bringing a second person with her to sit in on the meeting. When Kelly is finished on the phone she sighs and says to me:
>
> *"And so now the department want to bring another person along to the reporting meeting as well: it's all about them, you know..."*
>
> I respond, with a "red herring" question: *"Well, they do pay for you..."*
>
> Kelly, quick as a flash, says *"no, they subsidise us."*
>
> I ask *"what's the difference?"*
>
> *"When they're using the big stick approach, they say they fund us... but when we say 'well, you don't fund us adequately' they say 'ah, we give you a subsidy'... Whatever suits their purpose, that's the discourse they use... Like, one time my first* department *area manager came to talk to the PCC chairperson and I about the fact*

> *that we only opened the centre from 9 til 3, right, because they fund us full time. We get funding for one... full time equivalent position at level 5 wage. But I'm paid at a higher level, 6, because that's the level of responsibility I have to take... a level 5 wage at 38 hours per week is a level 6 wage for 32 hours per week... So he came to read the riot act about the centre's opening hours and I had to say 'no, hang on a sec, we only open the information and referral part of the organisation from 9 til 3, but the rest of the centre and the rest of the programs operate any time, night times, weekends'... That's why if you ring the PCC phone line now, the answering machine says that the centre is open from 9 til 3, however appointments can be made outside of those hours... that was a little strategic thing, me prodding them basically. Because the community know we're there for them, they just come and knock on the door after three o'clock, it's just that the phones aren't staffed after 3 o'clock. And they don't even fund <u>that</u> anyway, they only fund <u>me</u>, and what am I supposed to do, sit on a phone from 9-3. I mean it's so ridiculous this stuff, it's absolutely ridiculous... I told him off. I said 'no, excuse me; you get more value for your dollar than you could ever imagine, what we put in, what we self fund... back off mate' and he did. He backed down."*

This narrative again demonstrates the importance Kelly ascribes to the consistency between organisational goals and institutional pressures and the PCC's autonomy. In a similar way to the over-riding impact these factors had in the exit and avoidance "giving money away" narrative above (in 6.1), here again Kelly is willing to defy a government officer's requests, with the associated risks of economic loss from the small number of constituents (the government department represented by the visiting officer) on whom the PCC is highly dependent. This is because she sees the pressures to keep the PCC building and phone line open from 9am to 5pm as irreconcilably inconsistent with the organisation's goal to be a flexible community service. The requirement for Kelly to work full time, taking on fewer responsibilities is also irreconcilably inconsistent with what she understood as the organisational requirement to have someone in an overseer and coordinator role.

Why is it that in this instance Kelly defies instead of avoids, like she did with "giving the money away" (in 6.1)? Oliver's remaining categories, legal coercion, diffusion

of pressures and the levels of uncertainty and interconnectedness do not play strong roles in either narrative, so I am not convinced that an answer lies in those factors. Perhaps the *"because she could"* element suggested in 6.1 was also not a feature of this episode – Kelly may have judged that the PCC was unable to avoid the watchful eye of the department area manager. However, I do not believe this is the case. Based on Kelly's narrative of the event, she was just *not interested* in *avoiding* the department here. After all, the message on the answering machine about the PCC's opening hours continues, and is described as a *"little strategic thing"*, obviously seeking to prove a *point* to government. Instead, I interpret this narrative as an example that Kelly truly believes the suggestion for the opening hours and working level is unreasonable and inappropriate for the style of service delivered by the PCC.

Again, comparing this narrative to the *avoidance* narrative in which Kelly gives the money away, it is interesting to understand these examples by looking deeply at the role of legitimacy. In both instances the potential for gains in legitimacy from the government was high – if only they would just continue providing the domestic violence service, or if only they would comply with the prescribed service requirements of full time operation, then the government would have been satisfied. However, the critical difference was about what Kelly defined as the legitimate work of the PCC. In the avoidance narrative she believed that the DV work was more legitimately provided by the other service, and in the defiance narrative that the community work was more legitimately provided by a worker taking on a higher level of responsibility and working fewer hours. In the first

instance, the solution to the dilemma of legitimacy was avoidance and in the second the solution was defiance and justification. In this way, the role of legitimacy was important in leading to what Kelly judged to be the appropriate and suitable organisational response and is discussed further in Chapter 7.

This finding sheds more light on the role of leadership, raised already in acquiescence, compromise and avoidance. In particular this highlights the role of leadership in defining the legitimate work or goals of the organisation. Kelly defies the government worker because she believes it is "ridiculous" to comply with them. Again, the contested and socially defined features of work in this sector allow room for such differences of opinion.

"Everything comes back to your identity" – Eddy and the Church at Mission

> One of Eddy's favourite stories to tell was about the time she and her colleagues directly defied a minister who was looking for their support in a controversial government announcement:
>
> "Three other *heads of the church national bodies for community services* and I *got called into* a minister's *office* at a critical time before a big announcement – and the minister *basically said 'we just want to give you a heads up,* we are about to announce that we'll be *changing the arrangements around* some big service delivery programs.' Now these changes they were planning were very controversial indeed, *and I got kicked on the ankle by somebody else who was there, and I think, 'oh, fantastic, I've gotta speak' so I said 'look... we can't do that' and the minister immediately said 'oh, you mean you won't' and I said 'not* ***won't*** *– although we won't – won't is second order, first order is* ***can't*** *because of who we are'. Then I said 'you know you are relating with us and you keep persistently relating with us as if we are service providers, that's what we do,* but *who we are is churches at mission...* we *have resolutions on* our *books over this specific issue, we are unable to make a decision anyway, we are bound by our own churches to not* carry out your policy, *that won't be happening... So that was really interesting, and that to me* is about how... *the churches can stand very clearly often because we say 'this is what we believe it is to be human, this is how we believe humans best aggregate and work together'... We've got a whole swag of public and contextual theology around* it... *We want to create a network where our agencies, our organisations on the ground are deeply embedded in those communities, they're not just...delivering services to those communities, they're working with*

> *communities, and it's as much about community engagement and community development as it is about the delivery of a service..."*
>
> *"I reckon everything comes back to your identity, right, so you come back and you say, "we are the church at mission, we are partnering with the state"... So you can think, Minister, and you can think, departmental secretary, and bureaucrats, you can think that you're our life blood but all you give us is money. You don't give us an imperative to do what we do. You don't give us embeddedness in and commitment to our communities. You don't give us thousands of volunteers who work with us because they share our vision of transformed lives and communities.* You need to realise you're not merely **purchasing** the human services we provide, as you would buy goods at a supermarket, you're **investing** in us to provide these services, in the communities that **we are a part of.** You are partnering with us..."
>
> *"If we accept funding for a service then it's a Faith Aid service. We're very, very clear on that and I think that government are not always very clear on that. We will only take money to run services that fit with our identity, with our mission, and with our strategic goals, Faith Aid doesn't just pick up services for the sake of it... Government needs to understand: it's not just you guys who determine what happens..."*

As with the PCC example above, this narrative of defiance pivots around Eddy's definition of what is legitimate work for the Faith Aid network – leading to the major disparity and inconsistency between what were the government-exerted institutional pressures compared with the organisation's goals. Again, the potential for economic loss, the low number of stakeholders and high dependence on them for funding, all configured to suggest that a more compliant response could be predicted. However, the strength of the inconsistency and Eddy's conviction about what was legitimate work for the Faith Aid network led to defiance instead of another type of response. Eddy's distinction between *can't* and *won't*, or "*who we are*" and "*what we do*" in this instance is particularly illuminative of the depth of her conviction about what was and was not legitimate work of the Faith Aid network. It was not a simple case of – *we will not deliver your program because it does not align with the goals of this organisation* – it was "we *can't because of who we are*".

While Oliver's explanatory and predictive categories focus on the features of the institutional pressures as pivotal in determining the tactical responses of organisations, clearly here it can be seen that features of the organisation itself, and the network to which it belongs, are also pivotal. Especially considering Eddy's view that when the service delivered by an organisation in the Faith Aid network is "a Faith Aid service", adding to the importance and significance of consistency and legitimacy as an over-riding factor for the organisation, determining its tactical response. I discuss such features in Chapter 8.

It is interesting here to consider also the potential impact of Eddy's unity with the three other church body heads. Such strength in numbers possibly bolstered her confidence in taking a defiant standpoint. However, this is unclear. Eddy does not say if there had been previous discussion and decisions made amongst the church heads in anticipation of such an event. Nor did she suggest a different outcome if there had been disagreement amongst this group.

<u>"Governments are taking advantage of us" – Stan and the peppercorn rent</u>

> In an interview with Stan, the Chief Financial Officer of Robwood, he described a defiance experience:
>
> *"One of the things I said when I came here was that governments are taking advantage of us.* This may not be a popular view, but *I believe the sector should form a cartel and say we will not tender for services with government unless we get a fairer administration component to cover our real costs...* For example, *when I arrived here I reviewed all of the investments that were here, just to gain familiarity. And I discovered that* way back well over 70 years ago, a public school was built on our land, and the department of education payed only a *peppercorn rent* for it – because of an idiosyncratic arrangement which was relevant at the time. But the basis of this arrangement has long since been obsolete, and the school is *predominantly a public school.* But the department *were still paying – it was pitiful the amount they were paying – when I arrived here they were paying $5,200 a year rent. The property, I had it valued, was worth six million dollars. We*

were paying $5,500 a thousand in insurance on the property. It was costing us $300 a year for the state government to have this property..."

"So I went in and looked at the lease and I started writing to the Department of Education and it took me two years of negotiation to force them to the table to then say 'you need to be paying us a commercial rent on this, this is now a public school, the original intent of the lease has fundamentally changed'. I got a legal opinion on that, stating that I had a right to demand commercial rent and that the lease had changed, but the Department of Education *wouldn't acknowledge it because they knew it was going to cost them money. So they then offered as $150,000 a year rent, and* our CEO *was very excited by this because it was* a lot more than the money they'd previously been paying... *But I said no, that is unacceptable, the market rent is what you have to be paying us. So they now pay us $380,000 a year rent on a recurring basis, adjusted every year to the market because I said, 'well, we'll have to go to the media. I've put this to our board and I said my view on this is that we are effectively subsidising the state government... and you are benefiting from historic arrangements that have fundamentally changed,' I said 'it's immoral and indefensible and I wonder what the media would make of this,* although *we don't want to go down that way.'"*

"We had already *in that* same *year closed a program... because... post September 11, the market crashed and we lost $3.8 million* of the revenue we anticipated we'd receive from our stock market investments *in that year.* So *we are closing a program... at the same time the state government is basically taking advantage of a historic arrangement... I don't think so... I stared them down and said 'no, it's unacceptable, I'll go to my board and we will have to go public about this it's just untenable'. I said 'we cannot close a program and have you getting away with this'. They immediately realized, oh crap, and we got our money, but what a disgusting situation to be in to have to stare them down... They were so terrified of this, because it was at a time when they were worried about the state election... So we now fund a program through the income we get from there..."*

"Before I started working here *it* had *just slipped under the radar. It's only when things got tough, a new person* – me – *came in and the year after we had the post September 11* change *where things got really tight for us that forced us to look at everything and I did, and it came out, oh no, we've got to deal with this."*

One of the key features of the *previous* two examples of defiance was the impact of contested and socially defined benchmarks and baselines of legitimacy – and therefore the participant's leadership role in defining legitimate work for their organisation or network. Disagreement over what was legitimate practice or organisation function fertilised the soil from which defiance sprung. So it is interesting to reflect on *this* episode described by Stan, involving much clearer

market-driven benchmarks and baselines. In this instance, having a "market rate" benchmark – a clear and distinct legitimacy baseline – bolstered Stan's sense of legitimacy, feeding his defiant response.

This narrative demonstrates a good fit for Oliver's predicted relationships between the level of resistance demonstrated and the low levels of legitimacy and economic gain to be made from compliance. Robwood was not dependent on the department for a majority of its funding, and so Stan was not concerned that Robwood would experience retribution from his defiant stance. I find it difficult to make a judgement about the level of constraint on the organisation's discretion that existed in this circumstance. Receiving $380,000 per annum certainly enabled Robwood to have much more discretion over its activities than when it received only $5,500. However, the pressures involved had not before been actively imposing upon Robwood's discretion. Still, because of the potential for resistance to lead not only high legitimacy and economic gain, but gain in discretionary freedom, I consider Oliver's category of "discretionary constraint" to be high. This is also consistent with Oliver's prediction. These factors, as well as having received legal advice confirming the legitimacy of his position, worked together to give Stan a clear sense that his argument was valid and therefore open and overt defiance were a suitable and appropriate response to the pressures from government to maintain the peppercorn rent arrangement.

Here, the clearly defined "market" benchmarks in this narrative are another way of describing what Oliver defines as "widely diffused norms". In some ways this narrative illustrates the interplay of Oliver's "diffusion of norms" and the role of

legitimacy. In the previous two narratives, there were contentious definitions of legitimacy – whereas in this narrative there are more clearly defined benchmarks. Yet, all three narratives describe resistant and defiant responses. So, perhaps what this narrative demonstrates is simply that while there are examples of defiance that are *not* as Oliver predicts, there are still those which are. Also, while there are examples where *contentious* norms can lead to increased resistance (such as in 5.3's EOI negotiation, where a large part of the negotiation was about defining the benchmark pricing), there are also still examples where norms are diffuse and widespread, yet organisational response is still defiance. Even here, defiance alone was not enough to bring about Stan's desired response. Stan also needed to employ manipulation tactics – suggesting media involvement – to achieve the compliance response he sought from government. In other words, features of the context – broader than Oliver's uncertainty, were also important.

In conclusion, underpinning each one of these narratives is the fundamental assumption held by the leaders that these organisations should not *have* to comply with the expectations of their environments if they judge these expectations to be unreasonable and inappropriate to either their philosophical or pragmatic stance on service delivery. Such a judgement can be bolstered by, for example, diffusion of norms or a strong sense of legitimacy, but inevitably must be initiated and interpreted as important by the NPO leaders who dare to initiate the defiance – often with a level of risk to their organisation.

The issue of each of these narratives being described by the participants rather than observed is one which is disappointing in that the "reliability" of such

descriptions cannot be triangulated and a more holistic picture cannot built through incorporating observation or document review. However it also illuminates two things: that defiance was probably not a common experience, even in the most troubled organisational field; and yet that narratives of defiance were definitive. Each participant was not shy to define their organisations, through their selective use of story-telling, as autonomous agencies – organisations which would not be told what to do, which had their own sense of sovereignty and identity. In many ways, these were the definitive legends on which the character and culture of the organisation was built.

6.3 Manipulation

On the continuum of least to most "resistance", Oliver (1991) sees manipulation as

> the most active response... because it is intended to actively change or exert power over the content of the expectations themselves or the sources that seek to express or enforce them. Manipulation can be defined as the purposeful and opportunistic attempt to co-opt, influence, or control institutional pressures and evaluations (p.157).

According to Oliver, *co-optation* is the process by which an organisation seeks to neutralise institutional opposition and bring its opponents or potential opponents on side, including using "coalition-building processes and the strategic use of institutional ties" (p.158). *Influencing* focuses on bringing generalised change to institutionalised values, expectations and acceptable practices, "because performance in institutionalised environments is itself institutionally defined and prescribed, the actual definitions and criteria of acceptable performance are often open to strategic reinterpretation and manipulation" (p.158). *Controlling* involves

"specific efforts to establish power and dominance over the external constituents that are applying pressure on the organization" (p.158). Oliver's definition of manipulation implies the "artful skill or deviousness" of a standard dictionary definition of manipulation "to adapt or chance... to suit one's purpose or advantage" (Macquarie Dictionary, 2006, p.488).

Just as with defiance, Oliver predicts that manipulation will occur when:

- an organisation is likely to gain low levels of legitimacy and economic gain from compliance;
- there is a high number of constituents or stakeholders on which the organisation has a low level of dependency;
- the institutional pressures have a low level of consistency with the goals of the organisation and there is a high level of constraint on organisation's discretion;
- there is a low level of legal coercion involved in exerting the pressures and these pressures are not at all broadly diffused and accepted in the field; and
- the levels of uncertainty and interconnectedness are low.

There is no difference in Oliver's prediction profile between defiance and manipulation – for which neither Oliver nor any subsequent research on Oliver's framework provides an explanation. The findings from this study suggest there is

indeed a *complete overlap* between instances of defiance and manipulation. Considering the paradigm of *response* in which Oliver situates her "strategies" of acquiescence, compromise, avoidance, defiance and manipulation, the episodes of *responsive* manipulation – co-optation, influencing and controlling – appeared as fleeting but inherent and intertwined aspects of defiant responses.

However, like avoidance, it was difficult to identify *full* narratives where responsive manipulation was the centre point of the narrative. For example, consider the defiance narratives described above in 6.2. Kelly's defiant response of "*I told him off*" when the department area manager came to "*read the riot act*" was intertwined with her simultaneously seeking to *influence* this area manager's opinion about what was the correct level and type of funding. Kelly seeks to manipulate by influencing at the same time as defying:

> *"I had to say 'no, hang on a sec, we only open the information and referral part of the organisation from 9 til 3, but the rest of the centre and the rest of the programs operate any time, night times, weekends'"* [Kelly].

I believe in this episode, Kelly also sought to manipulate by exerting *control* (according to Oliver's definition) inasmuch as she sought to employ "specific efforts to establish power and dominance over the external constituents that are applying pressure" (Oliver, 1991, p.158) when she said to the department area manager:

> *"'no, excuse me; you get more value for your dollar than you could ever imagine, what we put in, what we self fund... back off mate'"* [Kelly].

Similar momentary flashes of Oliver's *manipulation* can be seen in Stan's description of his response during the peppercorn rent narrative (in 6.2). In this

instance, Stan seeks to reinforce his interpretation of the suitable benchmark for rent by referring to standard market rents and gaining a legal opinion to back up his claim. He uses this information to try and *influence* government's approach to the situation, however when this doesn't work, he resorts to controlling techniques when he pressures government, saying *"'I wonder what the media would make of this?'"* [Stan]. Again, manipulation is embedded in, and intertwined with defiance. In a similar way, during the EOI negotiation narrative (in 5.3), Kay's letter to the department in which she makes defiant demands about the negotiation process also contains her suggestion: "that if the department should *no longer wish it* [Robwood] *to be a provider*, it should submit a letter to the Chair of Robwood's board stating so immediately". Viewed through Oliver's (1991) lens, this letter is defiant and manipulative part of a broader, long-term narrative of compromise.

The example above (in 6.2) in which Eddy describes FAA's defiant response to the controversial government announcement again demonstrates *influencing,* where Eddy seeks to educate government about the Faith Aid network:

> *"I said 'you know you are relating with us and you keep persistently relating with us as if we are service providers, that's what we do, but who we are is churches at mission...'"* [Eddy].

I believe also that this narrative demonstrates *co-optation*. It is not so much co-optation in the strict Selznickian sense of the word, in which an organisation brings its opponents onto its side (Selznick, 1949). Instead, it is co-optation in the sense used by Oliver, a "coalition-building processes and the strategic use of institutional ties" (Oliver, 1991, p.158). This is because of the presence of the other network representatives in her narrative, possibly contributing to a sense of *strength in*

numbers for Eddy. Kaye exercises a similar coalition-related process when she is quoted alongside the leaders of other large providers in the newspaper (in the EOI negotiation narrative in 5.3).

Another example of the organisational response of manipulation via co-optation, influencing or controlling can be seen in the "day in the life" narrative of Kelly and the PCC described in Chapter 4. In this narrative, Kelly and I are on our way to a meeting in which a range of workers are gathered from across the state, all connected to a common program. Kelly describes difficulty experienced by the worker at the PCC in reporting her work as a part of the program, because

> *"the reporting isn't in line with what we said we'd do in the original application, instead the reporting is in line with what they want to see... and there is no process for Noni to report on the things she does in her reporting mechanism.* So she's had to kind of make it up in a sense" [Kelly].

In many ways, Kelly's response to the PCC's relationship with government here is a story of defiance. Kelly takes the approach that "*we are her employer and we say what she'll do*". Kelly has been invited to speak to the group of workers who are a part of this program about the style of professional practice used at the PCC, "to help the network *'get a common language, a common understanding of community development work'*". I interpret this as Kelly seeking to *influence* the institutionalised values, expectations and acceptable practices within the program, to be more aligned with the work of her colleague at the PCC. Again, influencing is an integral feature of defiance.

It is difficult to evaluate the impact of Oliver's set of predictive antecedents on each of these fleeting occurrences of defiant manipulation. Each shares a "prediction

profile" with the defiant narrative that exists alongside it. Re-analysing these brief flashes of manipulation according to the same profile of antecedents would add little here. Indeed, it is difficult to ascertain what lessons can be learnt about how manipulation operates from these examples, other than to suggest it is often an integral part of a defiant response. There were, however two other useful examples of manipulation *as a direct response to pressures*, where it did not otherwise occur specifically and clearly intertwined within a context of defiance.

The first is in Robwood's EOI narrative. In this narrative, one of the first things Ronan does in response to hearing from the department that Robwood's costs are too high, is to prepare an explanatory paper explaining why these costs are as they are. In some ways this response fits with Oliver's definition of *influencing* and could be seen as responsive manipulation that is *not* intertwined inextricably with a clear act of defiance. However, I wonder if, for a non-confrontational pragmatist such as Ronan, education and influence *was* his own personal leadership style of defiance. This theme is discussed further in Chapter 8 which looks beyond the Oliver framework at explanations for NPO responses.

The second example is described below. This was one where Kelly and the PCC sought support from state and federal members of parliament, and specifically how she and a colleague approached the minister responsible for funding a program when this funding was due to expire *in response to* what she believed was the imminent de-funding of the program.

> *"What was the go with* the visit to that minister – whose portfolio covered the department who funded one of your programs?" [Alison]

"Well, our funding was going to run out in June of this year..." [Kelly]

"You lined it up through your local member?" [Alison]

"Yeah, he lined it up for us" [Kelly].

"You contacted your local federal parliament *member and said, 'our funding's going to run out'?"* [Alison]

"Yeah, we contacted him towards the end of last year and just flagged it, and he said ok... we see him about yearly. We have a relationship with him... so the year before last we'd been to see him *just for a visit to let him know what was going on...* At that time *I said 'would you consider being the guest speaker at our AGM this year?' and straight away without batting an eyelid, he said 'I've got something better than that, let's get the parliamentary secretary* for your sector *to come and be your guest speaker'* [laughing] *And we went 'OK', and he organised it, he made it happen... it was great... We put on a forum... we don't just keep these people all to ourselves... we put on a forum in the afternoon and we invited all the* federal government community services department *funded programs in cooee of us and they all came and anyone else that was interested in family issues... So we had this forum and that finished at 5 and then we had a little break, a drink, and started the AGM and straight away the chairperson opened the meeting and* the parliamentary secretary *was our first guest speaker and then left, she didn't stay at the meeting... so in the break she* had come *up to me and said 'what do you think I should talk about?', and I said 'just tell us a little bit about yourself, tell us why you became a politician, and why you love governance and all that' and so she did, she was a farmer, and she flies planes... So that was good. Yeah. So that was two years ago... so then I rang* our local federal government member again *at the end of last year and said 'our funding is going to run out in june next year, what do you think?' and he said, 'Ok, we'll look into that next year. It's too early. We'll do that next year'"* [Kelly].

"Did you actually talk to your local member *himself* – like, *you just call your local member and your local member chats away with you...?"* [Alison]

"No, he won't talk to you on the phone, but if you see him he'll talk to you. But you see I have an intimate relationship with Lorraine, his *secretary-p.a."* [Laughing] *You have to. These are the gatekeepers. You have to get to know the* Lorainne's *of the world... yeah, and so, he came and saw us and we talked strategy and at that point we were trying to get* the minister *to come to the centre, that was the original thing... but then... we went to him.* Although, it was really frustrating, we were turning ourselves inside out worrying about the funding, and we got an appointment to see him just weeks before the program funding was due to expire, to put our case forward for more funding *and when we walked in the door he looked at us and said 'you've got twelve months of extra funding so what are you doing here?' And it was just like* [she rolls her eyes and sighs]. *We didn't even know until we got down there, after spending I don't know how many hours worrying about it.* And the support person for him said *'oh, yeah, sorry we only got notification this morning', and we thought 'gee, we've been freaking out about it'*. I was just so gobsmacked, we put so much emotion into it thinking our jobs are really on the line here. And then we get another year so we've got to do it all again

> before the 30th of June so, yeah, there's just so much insecurity. Maybe that's just how it is" [Kelly].

Here manipulation does *not* occur within a context of direct defiance. Kelly's visit to the minister *was* still a responsive manipulation activity, done in direct response to what she perceived was a looming threat that the funding for that program would expire. In this instance, the manipulation activity was specifically focused on addressing this one particular issue. The PCC was at imminent risk of losing its funding, which would completely cease the organisation's ability to keep running the program. This led to Kelly resorting to using the contacts in her highly interconnected environment to facilitate the extraordinary strategy of visiting the minister.

Comparing this to Oliver's prediction profile for manipulation suggests that there were some close matches in the predictive antecedents in this episode with that of a highly resistant response. For example, the consistency of pressures with the goals of the organisation was low and there was a high level of discretionary constraint. However, there were many poor matches between this episode and Oliver's predictions, including for the number of constituents (low instead of Oliver's predicted high), the level of economic gain from compliance, dependency, interconnectedness and legal coercion involved (high instead of Oliver's predicted low).

Curiously enough, it was some of these poorly fitting antecedents which were also some of the drivers behind the choice of manipulation as a response here. For example, Kelly targeted the minister for "manipulation" *because* of the PCC's

dependence on the department for funding. Overall, I believe the lesson from this narrative is that Kelly *did not view this form of manipulation as a highly resistant tactic at all*. While it was seen of as a fairly extreme response – in that it was very untypical – Kelly saw it as a legitimate, democratic, suitable and appropriate response to the problem at hand. This theme – that manipulation was not necessarily the *most* resistant tactic employed – was also common in the many narratives about *proactive* manipulation.

From my observations, it was clear that manipulation – as defined by Oliver – played a far broader role than being simply *responsive*. It was a commonly employed *proactive* strategy – by which I mean simply that it was initiated by the NPO not in direct response to a particular pressure from government, but as a generic act of lobbying or advocacy (Casey & Dalton, 2006). Across each field site, the participants all devoted a significant amount of their personal and organisational resources to activities – *which were not in direct response to particular pressures from government.* These were activities which fall within Oliver's broad definition of manipulation, but outside her paradigm of *responsive strategies*. Unlike the Machiavellian connotations imbued in Oliver's "manipulation", the experiences of the participants in terms of *proactive* manipulation were much more ordinary. In the words of one participant, such activities were simply about "*appropriately using influence, just like everyone else*" [Julie, Robwood]. I therefore use the term "advocacy" interchangeably with "proactive manipulation" for the remainder of this chapter.

The examples below describe the advocacy activities of the NPOs in this study and demonstrate how while they involve co-optation, influencing and controlling, it is impossible to analyse the narratives in comparison to Oliver's manipulation prediction profile because of their proactive, rather than responsive nature. I report on this group of activities despite their ill-fit with the Oliver framework, because I believe they are an important aspect of the nexus between governments and the NPOs in this study. They were considered important aspects of the participant's work, and took up significant time, resources and effort in their daily working lives. I also believe these activities form an important part of the process of implementation.

The range of activities across my field sites which could be interpreted as advocacy included attendance at reference groups; association and involvement in peaks or professional support groups; appearance in the media; meeting with ministers or members of parliament to exchange information and advocate for change; developing a common brand identity across a network; maintaining a branch of the organisation dedicated to "social policy and research"; and making submissions to enquiries or from their own initiative. Because of this large range of activities, I report on advocacy activities at each field site separately below. Many of these activities encompassed broader goals than just advocacy – they were also about professional support and service coordination.

Advocacy at Robwood

Advocacy and manipulation activities at Robwood were broad and extensive. The organisation had an entire unit, the Research Policy and Advocacy Unit, dedicated to what was described as both "*proactive and reactive*" [Julie] activities, including activities related to research, media, government liaison, advocacy and policy. The women in this branch worked on preparing submissions to the range of enquiries occurring at any one time. They also prepared position papers, background papers, developed materials for advocacy campaigns, acted as a liaison between the media and Robwood's clients and staff, developed and disseminated organisational newsletters, service models and information, wrote letters to government and arranged parliamentarian visits, coordinated and prepared media releases and monitored the media, coordinated and monitored client information databases and represented the organisation at inter-organisation advocacy events and conference presentations. Robwood covered most of the cost of this branch from its own income sources (investment returns).

For example, I attended a monthly "advocacy planning" meeting held between senior workers in this branch and Kaye, the CEO, at which they shared "intelligence" and Kaye gave direction about both the proactive and reactive work. They discussed recent government announcements at a federal and state level, identifying follow up opportunities – particularly the names and positions of specific people in government, both the bureaucracy and political arms – who might serve as gatekeepers to opportunities to influence policy.

The women discussed future events and launches, considering how they would "position" such things (such as national or state based, crisis care or preventative early intervention). They discussed developing scripts around specific messages they wished to convey – to be produced, laminated and dispersed across the organisation. They identified potential allies, patrons and sponsors who could be associated with their work, being careful not to "muddle" or overload existing allies with too many messages. The pace at which this meeting ran was fast, ideas flew quickly and a broad range of topics was covered. At one point Kaye reminded the group that "rather than trying to do all things to all people, we have to focus, what's the most constructive thing to do?"

Manipulation and advocacy activities at Robwood were not restricted to the operations of this branch. Across the whole organisation, a large portion of Robwood's advocacy activities were what I called "planting and pitching" – where programs were initiated and planted with Robwood's money for a period of one or more years, then when they were established and working well, these programs were pitched to other stakeholders for ongoing support. For example, during my month there I observed meetings about three completely different entirely self-funded projects that Robwood had initiated over the past five years because it perceived a need for such a service. I observed several meetings where different Robwood staff were *"positioning"* these three different programs to *"pitch"* or *"sell"* to government.

I followed one such narrative throughout the course of my fieldwork, returning after fieldwork had ended to attend a meeting at which the "model" was pitched to a visiting minister. I narrate this example, in great abbreviation, below.

> Early in my fieldwork with Robwood, I'm invited to attend a meeting about preparing an EOI for a government initiative. The initiative provides capital funding for infrastructure development and some of the senior Robwood workers are considering preparing an expression of interest for funds to build a centre. The announcement of this initiative has come at a very advantageous time for Robwood, who've coincidentally been working for nearly two years with an architect to develop plans for a similar type of centre – an "integrated" centre for families with children. It is also synergistic because some Robwood-owned land has recently become available for development.
>
> The first meeting I attend is to determine if Robwood's prepared model and site are suitable for this EOI process. The senior workers review the detailed EOI information from the department and perceive a disparity between this departmental wording and the wording of the minister's original announcement speech and media release. The wording of departmental information indicates the funding is specifically for a more limited and specific type of service delivery. The wording of the minister's announcement indicates it is a more generalised style of service, the kind that could be more suitably provided for Robwood's more disadvantaged client group. The model they have already developed is very specifically for the latter, not the former.
>
> Indeed, the difference between their model and the model described in the department's EOI documentation means that Kaye, the CEO, won't even consider the proposal when they approach her with it at a meeting later that day. *"No, no, no, no!"* she says, adamantly. She is concerned that if the proposal is made and the venture is entered into, then the land Robwood owns could end up being used by a different and possibly less disadvantaged target client group. It is only when someone mentions how this may be an opportunity to build the flagship "integrated" model they've been working on that Kaye's fixed stance begins to waver. She pauses for a moment's thought, and then agrees to consider it further.
>
> In the end, Robwood's model does not fit the departmental criteria closely enough and the EOI is not followed through. The group decide instead to address their concern that the model for which government are seeking EOIs does not adequately target or cover disadvantaged groups. They do this by preparing to "pitch" the model directly to the minister as a solution to this identified policy gap – a gap they believe the minister particularly is concerned about based on her recent speeches in response to media attention. The minister coincidentally has proposed a visit to Robwood in one months' time, in part to promote the announcement underpinning the EOI round for which Robwood are no longer placing a submission. Robwood decides to use this opportunity to highlight the policy gap and their model as a solution.
>
> Preparation for the "pitch" meeting moves into full swing. Another member of staff now becomes involved – Julie, a senior manager responsible for government

relations. I observe two more meetings as the team prepare for the pitch. In the first I observe Kaye and Julie discuss the minister's visit, planning the specific message they will pitch, what angles it will cover and the level of detail to include. Kaye is particularly concerned to specify what kind and how much funding they will pitch for. Kaye has already discussed this idea with a colleague in another organisation with whom she hopes to increasingly align Robwood, Rhonda. According to Kaye, Rhonda has a good working relationship with the minister. Kaye has invited Rhonda to attend the minister's Robwood visit to demonstrate the allegiance between the two organisations – "she's a really, really good operator so I think her feedback and involvement is valuable" [Kaye]. Rhonda's organisation is in a field where there has been a lot of recent government interest.

I next observe Julie discussing the model with the senior Robwood workers who developed it with the architect. Her questions to these women as they prepare their "pitch" are:

"We have a compelling case for why... but the thing I feel unclear about is *what we want next?* What is the thing we want to government to do to support us, what is the first step, *when the minister walks away from the meeting, what do we want her take home message to be*? The other thing is *why us*, what is it about us? Why us, when there are other models out there? What's special about what we're doing? What is our point of difference, the thing that set us apart? Also – what are the policy frameworks we will be fitting this into and what is this minister responsible for, what can she actually do about it? Does this fit in with models in other countries like the UK?"

Other members of the team respond to Julie's questions, pointing out issues like the Robwood's history as an innovator, a best practice organisation, and its demonstrated commitment to research, evaluation, collaboration and partnerships. They emphasise the desire to build and demonstrate best practice models that work best for their service user group. They discuss branding for the model.

A team member clarifies: "we only talk about this in the context of disadvantage?"

Julie replies: "yup, that's the Robwood approach... and rather than just getting sites up for ourselves, we want to influence the policy agenda saying it's not just about unmet need for XX but also for YY... it's for the greater good, this is the message Kaye wants to push... but that also gets us into trouble. We cannot be afraid to say that Robwood is the best to do this, not just any generalist service provider who has no interest in disadvantage... this is Robwood's model, and Kaye's been clear about that. But we don't want to get into too much of that detail."

As Julie continues to prepare for the minister's visit, she liaises with the minister's office. She provides an agenda and "what we are presenting" to the office so that the minister "is expecting us to pitch the ICFC model" [Julie]. She agrees with the minister's office that no media announcements will be released about this visit. Julie also prepares an extensive briefing and "speaking notes" for Kaye, who has "been clear that she wants to lead it" [Julie]. Kaye is away on an overseas holiday until the weekend before the minister's visit.

On the day of the minister's visit, my initial fieldwork stint has finished, however I have returned to Robwood to specifically observe this visit. It is a Monday and I arrive at the location of the visit 45 minutes before the minister is due. The visit is to occur in one of Robwood's service centres – the room is covered in artwork by young children and looks out onto a playground. Some of the others are already there and have set up a circle of chairs and a projector screen for their presentation. The scaled model of the service, constructed by the architect, is on display. One of the team arrives bringing the latest "artist impression" pictures from the architect. These are beautiful large posters displaying what the centre might look like. However, panic strikes: the women discover a spelling error in the labels on every poster – these have the word *"intergrated"* instead of *"integrated"*. Rapidly, someone prints out alternative labels and we carefully paste these over the top of the existing ones. They are disappointed that the result looks unprofessional, but it will have to do.

By the time the minister arrives at about 9am, there are about 15 of us present, including the local MP, Rhonda and an uninvited but familiar representative from the minister's government department. The minister is welcomed, given a tour of the centre and ushered into a seat next to Kaye, who leads the 25 minute presentation – using the slides and speaking notes developed by Julie.

Kaye's presentation covers the following topics:

- Information about Robwood – its size, scope, target group, its research capacity, its professional approach, the programs it runs and how these are located in the spectrum of services for the target group.

- Information about the model they are advocating: a description of the model, research and experience that supports it, the target groups for whom it works especially well.

- Niche advantages of the Robwood model: that it is an established provider with a developed model and a suitable site, it brings together existing services, has established research partnerships, Robwood's leadership capacity mean the model could be "rolled out" to other locations.

- The model's alignment with government policy – and that it is a progressive extension of this policy which can effectively target and support disadvantaged groups.

- What Robwood are looking for: "A partner to provide capital assistance to put the first Centre on the ground."

The presentation is followed by a discussion and morning tea. One of the front-line program managers provides an excellent example of her work, a description of how Robwood has "reached out" to a vulnerable and service-resistant client. During the presentation the minister asks several relevant questions and makes comments that convey a thorough understanding of the topic. She reveals that she has already had a conversation with one of Robwood's peer organisations about this issue. She recommends that Robwood continue to pursue this model and to consider presenting it at an upcoming conference. The entire length of the minister's visit is scheduled to last for an hour and a half. The minister and MP

present are given a one-page confidential briefing note with the key messages to take with them when they go. Kaye walks the minister to her car as she goes to leave and has a conversation which she later tells me didn't contain "anything of great significance," just that she reaffirmed that Robwood are keen to use their expertise to be of assistance to the minister.

After the minister and visitors depart, we all debrief together. People are visibly relieved – the visit has gone relatively well. While the minister has not agreed to work in partnership with Robwood to "put" the centre "on the ground" or even given any guarantee that there will be any follow up on this, she did respond positively to the model and suggested to the local member that they meet with another minister and the local Mayor about it. Kaye kicks off the debrief by thanking and congratulating everyone for their input. She asks: "Where do we go, what do we want to say now? What did we learn from this?" General discussion ensues and quickly focuses on things they could have improved on.

Kaye suggests:

"We need to do more work about what we would expect, and we might need to write the script so we all have the paragraph and the three points... We need a think tank about what we want to plan so if the opportunities arise we are ready and we have the relationships there, 'cos I think it will come, but I don't think it will be now... We need a paper that we can use in all sorts of circumstances that you can hand people... We've got to be up there ready, there will be others up there bidding and lobbying, but we've got to be ready. And at the same time we need to try and influence the policy parameters around what this looks like. We need to consider the other organisations who are pitching this kind of model and think about possible allegiances there – especially with others who are close to us in their professional style of work. We need to consider a game plan about when and who to ring, when we remind the minister, what buttons to push, and then there's a paper to be written, and a bigger picture about what we want to happen... And, if we've achieved nothing else then at least the minister recognises us and she remembers us."

This narrative shows how manipulation/advocacy incorporates a combination of responsive as well as proactive strategies, as one strategy morphs into another. In part it was a reaction to what they interpreted as an inadequately targeted government policy supported by nearly two years worth of proactive work that Robwood had already done on their flagship model. As Kaye explicitly says, "we've got to be ready". I interpret the opportunistic pitching of the model to the minister during her visit as an instance of *co-optation* through "the strategic use of institutional ties" (Oliver, 1991, p.158). The presentation's content – in which

Robwood sought to highlight how the model addressed disadvantage in a way that was not already addressed by the government initiative – was one example of how Robwood sought to *influence* the broad values, expectations and acceptable practices. Robwood's emphasis on its size, expertise and ownership of the model were a part of its efforts to "establish power" (Oliver, 1991, p.158).

As mentioned above, such an example of proactive manipulation, advocacy, is virtually impossible to compare to Oliver's list of predictive antecedents for responsive strategies. For example, here it is difficult to determine the number of stakeholders involved. From one perspective, the stakeholders involved consist just of the minister, the department and Robwood. However, if I include Rhonda, the local MP, the peer organisation who have also pitched a similar service, as well as the plethora of potential avenues for support they consider pursuing during the range of meetings, then the number of stakeholders is high. Oliver poses a relationship between a high number of stakeholders with a high likelihood of manipulation. Yet Robwood seek to keep the number of stakeholders low as they go about their advocacy activities – I get no sense that Robwood would be likely to manipulate *more* if there were more stakeholders, just *because* there were more stakeholders.

One antecedent does, however, appear to play a clear role. One of the driving forces behind this advocacy activity is the inconsistency between the institutional norms (to provide a service that is targeted but *not* aimed at disadvantaged people) and the organisation goals (to support service users who are disadvantaged). It is this inconsistency, what Julie describes as the gap in the policy targeting which is

the main aspect of the "pitch" to the minister. Bringing the focus onto Oliver's antecedents, I discuss the importance of consistency between institutional norms and organisational goals further in Chapter 7.

Overall, this narrative is particularly interesting in that it demonstrates the extent to which Robwood clearly does not see itself as just a *provider* of services, but as an organisation with something to say about policy – a theme which is discussed further in Chapter 9. Through identifying (arguably even generating) a policy gap relevant to its service users – people who are disadvantaged – Robwood seeks to influence the policy agenda. It uses a combination of proactive and reactive strategies to pitch its solution to this policy gap.

Advocacy at FAA

Being the national body for the network of Faith Aid service providers, one of FAA's key objectives and functions was to lobby government and "to exert influence over social policy". Advocacy was a key deliverable for the women of FAA, a critical part of how their success both individually and as an organisation was judged. Drawn from its range of foundational documents, other organisational goals included, but were not limited to:

- To inform politicians and decision makers about the strength and depth of the Faith Aid network.
- To involve the network in the advocacy of FAA.
- To inform the Faith Aid network about the work of FAA.

Because advocacy played such a central role, it was sometimes difficult to separate it out from other strategies – falling into the problem of ubiquity where because it was everything, it was also nothing. For example, during my fieldwork at FAA, the staff were joined by Margi, a media officer on secondment from a Faith Aid service provider organisation interstate. For 12 weeks, this service provider organisation paid for Margi's wages, travel allowance and accommodation while she worked with the women at FAA. This was seen by the CEO of the service provider organisation as an excellent investment in Margi's skills in dealing with government and getting a better perspective on the Faith Aid network as a whole. The women at FAA were delighted to have Margi's support – especially during the federal government budget announcement – her skills and experience in media relations were very useful.

In some ways having Margi present at FAA was a part of FAA's broader advocacy strategy – in that she assisted the women at FAA to prepare media releases in response to government announcements, to communicate government announcements to the Faith Aid network, and generally to support the advocacy-focused work of the office. However, I am not convinced that Margi's presence at FAA was specifically and solely a demonstration of "manipulation" as Oliver has defined it. While she contributed to organisational responses that sometimes included manipulation and advocacy, her presence in and of itself was not a specific organisational manipulation/advocacy response.

In this way, there were many instances where the narrative episodes from FAA – as they worked on developing their website, as they put forward requests to the

governance committee for increased funding, as they worked hard to achieve common and consistent branding across the network – were about advocacy, but only in as much as they were about the general work of the organisation, which was often about advocacy. Therefore, I have not analysed each and every one of these narratives as a part of developing my understanding of manipulation. Instead, these narratives are a part of the backdrop to the general picture of organisational function I gained during fieldwork at FAA.

Despite this overlap of activities, there were of course, many direct, explicit examples where FAA sought to lobby government. For example, FAA hosted regular meetings with senior executives from key organisations across the Faith Aid network – grouped according to the service users they worked with (such as children and families, people who are ageing, people with disabilities). These meetings provided the service providers with an opportunity to network, share information and have input into the direction of the work of the FAA office.

One of the pivotal events, which occurred during my fieldwork with FAA, was what they described as a "parliamentary forum" – a daylong event in which particular members of the Faith Aid provider network interacted with ministers, shadow ministers, members of parliament and senior departmental staff about service delivery issues in one specific field of social policy implementation. I describe this event below, in the voice of the FAA women, based on a group discussion with the participants in the days following the event.

> "The forum was held at Parliament House, in one of the private dining rooms. We'd prepared a careful seating plan and around the table sat representatives

from the large Faith Aid aged care service providers – nine men and seven women – who were all responsible for covering their own costs to attend the event, and four of us from the office. The event ran from about 9am to 4pm, although we were there from about 7.30am til 6pm. It was all carefully choreographed, we'd written a detailed running order for the day and we'd spent ages preparing the room and doing a walk-through before the meeting started; there was a person who was designated to usher visitors in, and another to usher them out – someone was even responsible for taking photos and providing glasses of water for the visitors."

"We had prepared a kit for each parliamentary and departmental visitor to take away with them, *showing the size and scope of the network through having biographies of the people in the network.* It was carefully worded, introducing the participants as *leaders of their own services in the Faith Aid network.* We'd highlighted things like the percentage of the aged care market that our network covers and we had visionary statements like "People matter" and "Together we can make a difference" scattered throughout the booklet. In the booklet we'd prepared for the Faith Aid network participants there were biographies of all the visitors, extracts from their first speeches and information about their most recent media releases. We had our banner up in the corner of the room and all the nametags and information was meticulously badged with the Faith Aid network brand, as well as acknowledging the specific names of the services that the participants were associated with. *The badging was great – it was a visual cue for people in the network to operate as a group, it was very professional looking, the badges, the brochures, the mission on the back of* our name plates*, the co-branding with the Faith Aid logo, and the person's organisation name too."*

"We were a bit disappointed that some people, including the Prime Minister, the Treasurer and some members from the minor parties – all who'd initially accepted our invitation – could not attend in the end, but it was still good to have all the people we did have. We'd let the PM know that we'd be willing to *be as flexible as possible*, to *move anything around or cancel breaks* in order to have him *address the forum*. Each visitor had an approximate 30-45 minute time-slot which encompassed an introduction to the event by Eddy, an introduction to the issues of concern for the network by a delegated network member, a presentation by the visitor, and general discussion. During Eddy's introduction she talked about FAA, who we represent, the size of the network, its scope, who's around the table, the basic rundown on what Faith Aid Australia is, and how FAA is different to other groups – being a faith based organisation, standing alongside people who are poor instead of just being a provider representative group."

"While we'd set specific and short time frames for each segment, things tended to go for longer than intended *so there wasn't much time for questions, which isn't necessarily bad, because it prevents going down a rabbit hole of one person's issue* and meant it was less likely for any *one person to hijack the discussions* or *go off on one dimensional questions... We were saying that we're a national network, and so we're not so interested in one particular state issue, and the network people wanted to hear where the politicians are at, hearing the language used by the politicians. People were disappointed that they'd come all this way to see the Wizard of Oz,* only to find *he had no vision* for the sector."

"We had prepared for the meetings by caucusing in a meeting just couple of days before – it would have been good to have allowed a bit more time in between really. We *would've liked to have... informed them,* the departmental visitors, *more closely about what we wanted them to talk about* – which is *hard because you have to go through so many staffers... you're never talking to the minister before they come and talk. You don't know how many* versions *the info will go through, what lens* the advisors *are putting over* it. In the invites we'd said *'we have designed the forum to facilitate high level discussion on the issues involved in aged care today and into the future. We will be operating under Chatham House rules and anticipate vital conversations identifying policy and service issues and solutions.'* In part this was because we'd only got our final, complete confirmation of the issues we wanted to discuss at the meeting we'd had only a few days before: we had decided on discussing the impacts of the system on four broad issues like the availability of staff, ageing population and so on.

"The Chatham House rules were appreciated by the shadow minister, who used the opportunity to float a range of policy ideas – a demonstration of how the shadow minister *trusts the group,* because there is already a relationship there. We are firmly committed to acting in a bi-partisan way, but we've found that it tends to be the opposition who are more interested in talking to you in a policy sense, and so you tend to build more of a relationship with them, maybe it's just because they don't have as many people working for them so they need to seek outside sources for their information. Whereas the minister was clear to state while they'd be *open* in their discussion with the group, they'd been in politics for long enough to *not* trust Chatham house rules."

"The meeting with the department's senior executive person involved discussion about policy at a more detailed level – *which was what we'd asked him to do... He also gave some advice about how to engage with government, which was not only advice for* our benefit, *but* that was intended also to *make his life easier – making the road between government and the community sector easier. His advice was: have an agenda, get us back around the table, with a place where you want to get to, have a point, don't just campaign on general stuff, but have some ideas for them, have some solutions."*

"On reflection, *he might have felt he was a bit railroaded... it was a bit overwhelming...* There were a lot of us, he had a nervous look on his face when he came into the room, but that was gone by the end, because our people demonstrated that they were open to discussions and weren't going to bash him over the head first... *He would have liked to just do his spiel, but we wanted to talk about more in depth issues, which was just not what he was expecting.* He came by himself, which *was unusual; it had been hard to get hold of him through the week* to ask *'is there anyone you want to bring with you?'* and when we did finally talk to him about it *he said it was a bit late to organise it... I would've thought surely he would have wanted to take someone with him, even just to be exposed to that as professional development... I would've thought he'd bring someone to at least take notes...* He has met with various people in our network before, *but whether he knew they were from the same network, I don't know.* I guess I was a bit disappointed he didn't see it more as *an opportunity,* giving it *a bit more thought or preparation."*

"Having it in Parliament House was important for both the politicians who couldn't leave Parliament House and good for the network to see Parliament House... to see *where we work...* you know, even little things like *having lunch in the staff dining room, we saw* one minister's *chief of staff and* all sorts of people. The challenges of the day were about *gaining and retaining leadership of the session – you know, the minister expects to be able to talk and then go* – and *retaining a national focus, retaining a unified message and a unified network... just by being there, the willingness to come together, and that we can show that we're responsive and available... So there'll be even more willingness to speak with us again next time. We've proved ourselves not to be wild and crazy, but to be professional and issues focused..."*

"It had been a challenging process negotiating and deciding who would be there. It related to *our objectives* for the day... *one possibility would have been to invite everyone and have one particular type of interaction. But we wanted to have influence. There's a finite number of people who can be heard, who can fit around a table, so then you work backwards from there; who are your really cluey people... the leaders in the network, who can talk from a visionary level, and who runs a service that exemplifies quality or a niche market... you want them there every time.* Then it's about *refining the list... map where are the holes... to present a national network...* Each CEO bought with them their Chief Financial Officer, *we figured, we might have questions asked of us with the kind of detailed information* that these people could answer – although this level of detail wasn't really discussed in the end. *It depends on your purpose. If you want to have a really detailed discussion with a minister, you'd try and get them for half a day,* but *then try and get past their diary staff. It all comes down to what you want to achieve. You have to be clear about that and structure it accordingly."*

"Overall, *considering our goals for the day – getting the network access to the people who were leaders in government and to get the issues to the politicians – it* was a very successful day. The goals of the day were *about exposure, to expose politicians to the network, and to expose the network to the work of the national office. It was a success because people enjoyed being exposed to that national focus, they believed it was relationship building, and they found the breadth useful, meeting with government and opposition and the department. We have had comments back, like 'I never would have had access to these people at that level', it was good to see everyone come together to talk as one group.* It was also good for the network to be reminded of why it's good to be a part of the network. After it was all done, we put the photos and a story about it on our website and in our newsletter."

This narrative is an interesting example of advocacy, demonstrating the importance of strategic positioning as an advocacy technique for FAA. I interpret this narrative as demonstrating an example of Oliver's *co-optation* via coalition building, with the FAA network seeking to form or strengthen existing alliances with the government and opposition as well as the bureaucracy. The presence of each organisation's

Chief Financial Officer indicated their hope that there would be scope for *influencing* some of the "detail". I interpret their efforts to demonstrate the size and scope of the Faith Aid network as a *control* action which sought to "establish power" (Oliver, 1991, p.158).

It was interesting to see the extent to which the forum was as much about internal network cohesion and unity as it was about the pressures exerted on government. The careful choreography, the departmental and parliamentary visitors take-home kit (all about promoting the clout and professionalism of the network), the badging and branding, positioning the network as different to other groups and the network's "willingness to come together" – all show that in this instance, for FAA, advocacy was more about proving themselves as an important player, rather than the particular points they were seeking to prove. Such a focus points towards the impact of the organisation's life cycle, or point in its strategic development, on its choice in tactics (Boin & Christensen, 2008; Selznick, 1957).

While this episode occurred within a broader context of a new policy initiative having occurred, it was not in direct, specific and immediate response to a particular announcement or initiative. As with the Robwood example above, considering this narrative in comparison with Oliver's prediction profile for reactive manipulation shows it to be a relatively poor fit. For example, here, FAA and the Faith Aid service provider network's dependence on government (for both funding and legitimacy) as well as the coercive and diffuse influence of government are all high in this example instead of Oliver's predicted low. If anything, this narrative demonstrates the importance, once more, of the organisation's overarching goal in

determining their actions. Here FAA's goal was "exposure" and "access", and it was clearly the driving strategy in the day's events.

Like Robwood, FAA was seeking to be an organisation with policy input. Unlike Robwood, however, this is not in the slightest bit surprising, considering it is an organisation specifically charged with key deliverables related to advocacy. What I find interesting about this narrative instead is that it demonstrates such a strong theme of FAA and the Faith Aid network seeking to *prove* its advocacy is worth listening to – clearly, merely establishing itself as an advocacy organisation does not automatically mean its voice is heard.

Advocacy at the PCC

For an organisation so small, I was surprised to see such a range of advocacy activities occurring at the PCC. Kelly regularly presented at forums, workshops, conferences or network meetings – seeking to *influence* the baseline expectations and values of the environment. There were also many other activities that were not specifically designed for the sole purpose of supporting advocacy activities, however had the potential to lead to advocacy. For example, the PCC regularly hosted steering committee reference group meetings for each of its programs, where providers or stakeholders with an interest in the work of the program were invited to share information, experiences and to network. It would have been easy for these meetings to generate a groundswell of agreement amongst the group that particular course of advocacy should occur to address a systemic problem –

however I did not observe such a groundswell during my brief one month visit with the PCC.

The PCC were represented on the state-based Community Centres Association (CCA) of which Kelly was a past president. Kelly put substantial work into preparing a "social policy submission" on behalf of the CCA. The general gist of this submission was that the work of community centres was important and while, at the moment, each centre received funding for one position (that of a community worker), each centre also *needed* funding for a centre co-ordinator, to provide leadership, direction and coordination for the centres. I observed the amount of time Kelly invested into preparing this, I read drafts of it and listened to her discuss it with colleagues. One day during fieldwork I asked her about the feedback she had received about it earlier that day from a well-connected high-profile peak body CEO colleague:

> "She said *the arguments are good, but who cares, they're not going to care about all the touchy feely arguments... nobody cares... in a way, people don't really care about social justice, at the end of the day, this is an economic argument, this is an efficiency argument.* She says I went into too much detail about the history of our organisations and our type of service. She also said to think strategically about what to actually ask for. Like, if we would include unfunded centres in the scope of the submission. But the CCA can't lobby for everybody."

I saw Kelly present the submission to the CCA Annual General Meeting (AGM). There was a senior government official in attendance at a part of this AGM whose department provided key funding to the PCC and other community centres. She had been invited along to tell the group what was happening in government and to hear about what was happening for the community centres. Kelly felt it was good to hear her feedback about the submission. She described things like the

appropriate time of year to make funding submissions – Kelly later mentioned that she did not realise this was so far in advance of when a budget is being prepared.

The government official also mentioned some key words and catch phrases – like "service system enhancement" – of which Kelly was quick to take note. She also reminded them that the submission needed to be pitched in a way where it could win over people not just in her department, but in Treasury, who may not know anything about the work of community centres, and who were comparing the CCA submission with submissions related to agriculture, schools, water and other priorities. The daunted look on Kelly's face in response to this comment was clearly visible.

Later I asked Kelly why *she* was writing the submission?

> *"Why am I writing it? Well, because there's no one's writing it,* I was the past president of the network, so I agreed to do it. It needed to be written so I thought I should do it. *I mean I could've waited, Alison, I could've waited til I finished work, and I could've gone to them and said "you need a social policy submission written for you, I'll write it, pay me", I could've done that... but, I dunno, I guess the fire's in my belly now. To write it, the arguments are all there 'cos they're real for me now* and it's kind of ok, because, *well, my workplace paid for that...* Yeah, I'll claim the time in lieu... *I'm having that* time off, *I just made that decision...* but *that's right, that's why nothing's been done before, because no one's been willing to give up their frigging weekend and write the document in the past."*

As was often the case with Kelly, her candid responses illuminated themes which were otherwise not as visible or apparent. In this case, I interpret such a response as demonstrating the importance of Kelly's agency, initiative and leadership, the *"fire"* in her *"belly"* – which I discuss further in Chapter 8.

Kelly was also quick to share information with her networks of allies – consider the narrative in 4.3, where Kelly meets the "new world order" bureaucrat. In this

instance, she mentions this experience to a colleague and ally later that same day, warning him of this new bureaucrat's officious working style. She was quick to email or inform her colleagues when she had experienced new practices from government. She had shown me an email she sent to a network of allies, after a meeting with a worker from another government department in which this worker had attempted what Kelly interpreted as a "sneaky introduction of benchmarking into the work plans that accompany the service agreements":

> "They said 'see here on page six where you talk about the families, let's put the number of families to target for next year's outputs" – outputs are part of a fucked marketised, managerialist agenda that doesn't reflect the good work we do adequately. We need to come up with tools that can more meaningfully reflect the work. So straight after this meeting I sent an email to my colleagues in the network to warn them this was happening."

These forms of networking are partly about *co-optation* using "coalition-building processes" (Oliver, 1991, p.158). I think such examples of sharing information around networks are also about *influencing.* In sending such an email to her colleagues, Kelly is specifically articulating aspects of "the actual definitions and criteria of acceptable performance" (Oliver, 1991, p.158). She is giving a "heads up" about the changed expectations to the other organisations, so that her colleagues can pre-consider their responses accordingly.

Kelly was connected to several overlapping but distinct networks. Indeed, the PCC had formalised close working connections with a few other organisations in the area through establishing a non-trading cooperative. Kelly describes this as having occurred specifically in response to experiences she'd had with other organisations in the area:

"The reason why we got together was 'cos the manager from that organisation *came and visited each of us independently because he wanted to apply for a massive multimillion dollar employment grant for the region, but one of the performance measures was that he had to have a shop front...* they *came and schmoozed us all with his suit... they came with this spiel, they basically wanted to apply for this employment work for the dole scheme... and they had three kind of proposals to put to me and they'd done the same speech* with my allies, XX, YY and ZZ... *and what he wanted was he wanted us to sign a document to say we supported in principle their application... so, then that was all good, I listened to their whole story and* at the end *I just said 'guys, can I just ask a simple question here: why would I wanna support the federal government's work for the dole scheme? How does social justice fit there?'* [laughing] *Now I can tell you, the look on their faces, they absolutely were not prepared for that question..."*

"There was this deadly silence... and the manager from this organisation *eventually said, 'Look, it's happening anyway...* and so *if one of your workers did it, you would at least do it the social justice way, you know.' Pretty smart..."*

"In the end *I did sign an agreement in principle... that we would support their application..."*

I ask: *"What do you think of that though? That is the justification that a lot of people give."*

Kelly replies: *"Yeah, and in a way, I could say the same thing about* one of the projects I work on, *I'm participating in a top-down government led social policy thingy, but it's a vehicle by which I'm helping them empower themselves, y'know, you can say that. But it was just that thing of 'do I really believe in this whole work for the dole thing and the federal government's approach' you know..."*

"Well, the next thing that happened... another organisation... *they rang* my colleague *and said, 'we're thinking about applying for this* funding' *and basically it was about* a similar type of service to what we provide, but in a neighbouring region. They didn't already provide any services in that region, so they needed to demonstrate they did or would have a connection with the community in their proposal. My colleague's *first reaction was 'well, I can't speak for* all *the* various *communities of* that region, but *I'd be prepared to facilitate* a conversation with those communities... *so you can come and talk to the communities', and* they *said, 'OK we'll get back to you.'"*

"Well they didn't get back to her, *they just wrote the application, and they actually did say they had the support* of the communities... *they applied for the grant without our knowledge, they got it."*

Seeking to clarify, I ask: *"Do you <u>know</u> that* that organisation *wrote in the application that they had the support of the community?"*

Kelly replies: *"We don't know that, we haven't <u>seen</u> it but we assume that they would've had to have done that,* to have received the grant. *And then,* they *had the hide to ring* my colleague *up and say 'oh, we got the grant, now, can you put us in touch with everyone please?' That's what they said!"*

"So do you think it's possible they misinterpreted what your colleague *said?"* [Alison]

"What do you mean?" [Kelly]

> *"That when they met with* your colleague *and she said..."* [Alison]
>
> *"They didn't meet with her"* [Kelly].
>
> *"Oh, did they just call her?"* [Alison]
>
> *"Yeah"* [Kelly].
>
> "Well, *when she said "I can't tell you that I give you* ***our*** *support but I can tell you that I can* ***arrange*** *for you to meet..."* [Alison]
>
> Kelly interrupts me with a correction: "She said '*I can put you in touch with the people you need to talk to'...* The bottom line is that *they needed to talk to the communities, and they didn't do that...* In other words, *another large organisation also applied for a large grant, but in this case they* <u>*didn't*</u> *approach us to discuss it, they just put in the submission to do a program that traditionally is the purview of community centres, which they were not."*
>
> *"So anyway... that pissed us all off that that'd happened, even more so with that one, because* that type of service is *what* our type of organisation does, *whereas we don't all do* work for the dole *stuff* like what the other organisation manager was asking about... although *we've all dabbled in it, and* actually, one of the organisations *does a fair bit of it..."*
>
> *"So after those things happened, about the next week, it was my AGM, the PCC AGM.* My two colleagues *were standing right there, we were having a drink and I said 'guys are you pissed off about what happened with* these other two organisations... *you know, are you sick of being taken over? Do you think we should get together and talk about this? And so we did, we had a meeting before Christmas that year, our AGM was in November and we decided to form a co-op.* Now, *if things gets tougher... if we have to have a bigger voice we now* have a formal connection with four other similar organisations... *we've cornered the market* for our type of work in this area *so really, now if government wants to talk to a single entity, they can talk to* us."

Here, I interpret the response to form a co-operative as a demonstration of both "coalition-building", the "strategic use of institutional ties" as well as "specific efforts to establish power and dominance" (Oliver, 1991, p.158). Reflecting on the full range of advocacy activities engaged in by the PCC, it is difficult to apply Oliver's set of predicted relationships between antecedents and responses as a useful interpretive device due to the fact that many of these activities are not direct responses to specific pressures from government. For example, Kelly described forming the co-operative as a response to "being taken over"; however, it was also as a proactive measure for "if things get tougher". Despite this, Oliver's framework

can still provide an interesting lens. After all, the PCC's manipulation activities centre strongly on legitimacy, diffusion, uncertainty, interconnectedness and seeking to define the institutional norms as consistent with the organisational goals.

Considering *advocacy at the PCC* as a set or group of findings, it further shows the PCC as an organisation with a strong sense of its own identity. The PCC's advocacy activities focus on strengthening and defending this identity, as well as educating others about it. These activities are about defining what is and is not the legitimate work of the organisation, as well as the legitimate processes through which the PCC and government interact. It is about seeking to define the institutional norms as consistent with the organisational goals, and through the selective use of interconnectedness, to diffuse these norms as strongly as possible. I believe proactive manipulation activities for the PCC are about preparing for an uncertain future in which Kelly expects to need to increasingly defend her professional position.

6.4 Conclusion

Throughout this chapter I have explored examples of the range of "resistance" strategies employed by the NPOs in this study. This chapter has complemented Chapter 5 which explored compliance strategies to put together a thick account of the experiences of NPOs as they are involved in the day-to-day process of social policy implementation. In doing so I have shown how NPOs make both strategic and responsive choices in dealing with their institutional environments, particularly

the government actors. In many ways, these choices are contingent on the range of antecedents predicted by Oliver (1991) as important. As a result, I turn in the next chapter to a view focused squarely on these antecedents, followed by analysis of the range of themes *outside* the Oliver framework presented in Chapter 8.

CHAPTER 7

EXPLAINING NPO RESPONSES TO GOVERNMENT PRESSURES WITH OLIVER'S ANTECEDENTS

The descriptive side of Oliver's (1991) framework of organisational response to institutional pressures has been explored in Chapters 5 and 6. Using narratives of acquiescence, compromise, avoidance, defiance and manipulation, I have explored in depth the nature and experience of NPO response to government expectations. In the course of doing so, I have looked briefly at the relationships between these responses and the factors or antecedents leading to them. However, in this thesis, I aim not only to identify nuances in the *types* of responses that NPOs make to government pressures, but to understand better *how* responses *vary* between and within different NPOs and circumstances. This highlights the need to systematically review and analyse the antecedents in their own right – which I do now in this chapter and the next. In this way, I seek to critically analyse and contribute to the predictive capacity of Oliver's framework.

Therefore, this chapter further applies the findings of my research to the Oliver framework, looking at the ten predictive antecedents theorised by Oliver to predict the choice of tactics. Oliver groups the ten antecedents into pairs, according to the why, who, what, how and where (or cause, constituents, context, control and context) characteristics of the institutional pressures that influence the tactics chosen in response. I discuss each in turn below. In the next chapter, I identify additional important contextual, organisational and personal antecedent themes emerging from the data in this study.

7.1 Cause: The influence of legitimacy and economic gain

According to Oliver, an organisation's strategic response to institutional pressures will vary depending, in part, on the "cause" of the institutional pressures: "the rationale, set of expectations, or intended objectives that underlie external pressures for conformity" (p.161). In particular, Oliver identifies two dimensions of "cause" that are relevant – cause that relates to legitimacy and to economic gain. Oliver describes the influence of these two aspects of "cause" on the choice of more or less resistant tactics with the two hypotheses:

> The lower the degree of social legitimacy perceived to be attainable from conformity to institutional pressures, the greater the likelihood of organizational resistance to institutional pressures...
>
> The lower the degree of economic gain perceived to be attainable from conformity to institutional pressures, the greater the likelihood of organizational resistance to institutional pressures (pp.160-161).

In other words, if an organisation judges that tactics of less resistance – acquiescence and compromise – will lead to economic or legitimacy gains, then they are likely to employ these strategies. If the organisation believes that such low-resistance tactics will not lead to economic or legitimacy gains, then it is more likely to resist such pressures via avoidance, defiance or manipulation. Legitimacy is a key issue for NPO performance in the institutionalised environment of social policy implementation. Neo-institutional theorists suggest that behaving in accordance with culturally legitimate procedures is as, if not more, important than adopting efficient and effective practices, particularly because such practices may be difficult to define (March & Olsen, 1989, 2006; Meyer & Rowan, 1977).

Legitimacy

The role of legitimacy in this study generally operated as predicted by Oliver. In circumstances where the leader judged that there would be a high level of legitimacy gained from acquiescence, they were indeed likely to follow a less resistant path. It was also important in influencing less resistant responses from the participants and their organisations. Conversely, in circumstances where the leaders judged there to be a decreased level of legitimacy attainable from acquiescence, they were less likely to acquiesce. What was interesting about the findings here is the way they demonstrated *how* this mechanism occurred. Particularly serving as a reminder of how NPOs can experience multiple sources from which legitimacy is derived and defined, and not all these sources agree on the inherent legitimacy of any one response. It was therefore up to the leader of the organisation to determine *whose* definition of legitimacy was the most important for the organisation and its response.

There were many instances where the same organisational response that might elicit a *low* level of legitimacy from the government would simultaneously elicit a *high* level of legitimacy from the organisation's internal stakeholders and allies. These instances became increasingly common features of the more resistant narratives. For example, during my narrative of Robwood's EOI negotiation (in 5.3), if Robwood had immediately complied with the price reduction requested by the department, then it probably *would* have received a high amount of legitimacy from the department. However, immediate compliance with the price requested by the department would have led to a low level of legitimacy from its internal

constituents and probably its allies. Indeed, there were some in the organisation who felt that even in the circumstances described, Ronan's agreement to lower the price occurred too quickly: "and what does that then say about Robwood?" [Manager, Robwood].

In the same way, the narrative in which Eddy defies government's expectation that the FAA network will comply with a controversial government initiative (in 6.2), gives the impression that the minister is expecting compliance from the providers. Therefore, it is natural to assume government would have ascribed high levels of legitimacy to the Faith Aid network if only they had acquiesced this instance. However, because (in part) Eddy judged that a *low* level of legitimacy from her internal stakeholders and allies would be derived from agreeing to the request, she defied it: *"I said 'look... we can't do that'...* we *have resolutions on* our *books over this specific issue... we are bound by our own churches to not* carry out your policy, *that won't be happening'"*. In the same vein, in the instance where FAA *did* acquiescence (in 5.2), it could be fair to assume that if Eddy and the FAA had supported a government initiative that was *not* "palatable" for the sake of increased organisational exposure, then they would have received internal criticism. This would have led to FAA experiencing reduced legitimacy, and damaged their relationship with the service provider and church network as a result.

The definition of legitimate work was occasionally even more fundamental: it was not just about *whose* definition of legitimacy was more important, but *what* was within the umbrella of legitimate work for the organisation. For example, in

Chapter 5, during Robwood's EOI negotiation, Ronan sees the responsibility for delivery of quality services as being a legitimate role for Robwood. However, Ronan also clearly sees it as a part of the role of government to determine the bigger picture of government expenditure.

> Hoping to elicit an informative response from Ronan, I make what I guess is a potentially controversial statement: I mention how "it's a bind – that government can't afford all the things that Robwood wants to provide", and I suggest that "perhaps it's fair enough they ask Robwood to decrease its costs."
>
> Ronan replies "well, that's their problem, it's too risky, you try and take an inadequately funded, substandard service proposal to your board to approve, they'll say 'no way'. I'd rather that we do the things we do well, than do too many things badly."

What was and was not within the scope of legitimate work for the NPO could also be seen as a defining feature of what led, for Kelly and the PCC, to an avoidant response in one circumstance or to a defiant response in another circumstance. Kelly's definition of what was appropriate work for the PCC and herself was a crucial driver in her seeking to "give the money away" (in 6.1), because the domestic violence work was not part of what she saw as the appropriate work of the organisation. While her definition of what was the legitimate role for her position – to work at a higher level, taking on more responsibility (for less hours) – led to the position of defiance (in 6.2).

So, as the responses became more resistant, the relationship between legitimacy and response is close to, but not *quite* as Oliver predicts. Based on institutional theory, Oliver predicts that organisations will comply with institutional pressures as they seek survival. However, this study suggests that sometimes government's definition of legitimacy is not the same as the organisation and its allies' own

definition of legitimacy. Perhaps another way of defining the relationship between legitimacy and resistance is that as definitions of legitimacy diverge, organisational resistance is likely to increase.

These instances of divergent levels of "legitimacy perceived to be attainable from conformity" serve as a reminder that in the fields in which these organisations operated, legitimacy is not fixed, and not only socially defined – but often hotly contested. I can only assume that in the instance of Robwood's EOI negotiation with government that there were other organisations, peers of Robwood who *did* define the price set by the department as the legitimate price. Or that there were organisations who *were* willing to implement the controversial policy that the Faith Aid network refused to implement. Therefore, there is a crucial interpretive step by the leader involved as legitimacy is interpreted and subsequently influences organisational response. *The leader must determine whose definition of legitimacy is important*. This theme is discussed more in Chapter 8.

It also serves as a reminder that the pressures faced by organisations are rarely uni-directional. A disadvantage of this research having focused on the response to government pressures is that it did not leave scope to understand the counter-pressures from internal constituents or peers that many of the participants may also have been balancing.

Economic gain

Economic gain also featured generally in line with Oliver's predictions – where NPO responses that prevented economic loss and increased the chance of economic gain

were more likely than unlikely. For example, for Robwood, the dramatically reduced returns on their investments set a scene which influenced a number of organisational responses. The need to tighten their belts led Stan to review the full range of contracts and financial arrangements of the organisation, leading to his discovery of, and subsequent response to the peppercorn rent situation (in 6.2). Because of Robwood's diminished ability to keep fully funding a program it had been funding for a number years, one senior manager was taken "off line" during the course of my fieldwork there to lobby for funding for this program. This risk that the money was imminently due to "run out" also provided a strong incentive driving Kelly and another PCC worker making the effort to travel and visit the minister responsible for the funding to lobby for that funding to continue.

The data here suggests that the impact of economic gain could be seen from a broader perspective than just the loss or gain of funding. For example, the impact of economic gain or loss on Kelly's response to the PBI compliance was greatly increased by the impact this tax status had on the organisation's ability to offer its staff salary sacrificing, effectively offering them higher salaries. This was identified by Kelly as a particularly important organisational resource that enabled the PCC to be a particularly competitive employer in an environment where it was very difficult to attract and retain staff.

However, as with legitimacy, there were instances where the relationship between economic gain and resistance was *not* as predicted by Oliver. For example, when Kelly "gave the money away" – choosing to lose one government contract and pass it on to another service provider while hoping to win other contracts in its place. Or

when Eddy refused to commit the Faith Aid network to complying with a the social policy intervention, despite the potential this decision had to lose the network a number of contracts and subsequent funding.

These two examples demonstrate the resistance that arose, despite the risk of economic loss, when the participants felt especially passionate or convicted about a particular issue – suggesting possibly the over-riding importance of consistency between institutional norms and organisational goals (discussed below and again in Chapter 9). This finding echoes the findings of Akingbola (2006), who identified that "while government funding may be important, it was not the primary factor in the strategy of the non-profits" (p.278). Instead, as with the findings here, NPO activity was often driven more as a result of internal organisational needs and goals than merely by managing the flow of resources in the external environment.

There are, however, other possible explanations for a willingness to endure short-term economic loss other than the leader's passion for a particular long term position or stance. For example, theories in social psychology, which suggest that people are "loss averse", distinguish between gain-seeking and loss-avoidance behaviour and suggest that people are willing to take greater risks when seeking gain than when avoiding loss (Kahneman & Tversky, 1979). Selznick (1957) also suggests that a characteristic feature of institutionalised or value-infused organisations is their willingness to endure short-term losses that do not comply with the values embodied by the organisation. Such alternative explanations serve as a reminder that, while the theoretical frameworks used by Oliver in informing her framework provide a well-formed basis of understanding organisational

behaviour, they do not *fully* explain it, and it is a fruitful exercise to build on the explanations.

7.2 Control: The influence of norm diffusion and coercion

The method and extent of control are factors predicted by Oliver (1991) to influence an organisation's choice of strategy.

> Institutional control describes the means by which pressures are imposed on organizations. Two distinct processes by which pressures are exerted include legal coercion and voluntary diffusion... [Such as] sanctions for noncompliance with... mechanisms for enforcing compliance... [and] the extent to which an institutional expectation or practice has already diffused or spread voluntarily through an organizational field (p.168).

Oliver predicts the following relationship between coercion and diffusion and resistance:

> The lower the degree of legal coercion behind institutional norms and requirements, the greater the likelihood of organizational resistance to institutional pressures.
>
> The lower the degree of voluntary diffusion of institutional norms, values, or practices, the greater the likelihood of organizational resistance to institutional pressures (pp.167-168).

Diffusion

Based on the work of DiMaggio and Powell (1983) Oliver describes the relationship between diffusion and resistance as based on the process of mimetic conformity – when institutional practices are diffusely and widely accepted and unquestioned, then organisations adopt and mimic them without question. There were a range of examples in this study supporting this relationship. As described in 5.2, acquiescence by imitation was a common experience for the three NPOs, especially in terms of such unquestioned practices as working within specified governance

structures and many of the standard practices for running an office and an organisation. However, the findings of this study also give several examples painting a different picture to this predicted relationship.

For example, the PCC's vigilant adherence to the PBI status was unusual considering that none of Kelly's peers had even contemplated putting such a method of self-assessment in place. Kelly's own explanation for this unexpected diligence was that the PCC had *"a little bit of a leadership role in the sector",* and this instance enabled Kelly to share the self-assessment system they had developed and implemented at the PCC with peers from other allied organisations. I believe also that diffusion did not matter in this instance simply because the way Kelly interpreted the constellation of predictive antecedents. Viewing a few other antecedents in this instance as *particularly* important meant that Kelly made a judgement to dismiss the low level of diffusion as unimportant.

A second example of when there was an unexpected relationship between diffusion and response echoes the findings of legitimacy, described above in 7.1, in that there could be more than one set of "norms, values, or practices" (Oliver, 1991, p.168) which were influencing NPO response. In Robwood's EOI negotiation with the department (in 5.3), there were two distinct sets of norms, values and practices present – the department's set and the NPO's set. This was demonstrated vividly at the peak body meeting on my first day at Robwood and in the way Kaye was joined by the CEOs of other similar large organisation in criticising the department in the newspaper article. In this case, Robwood's norms existed within a closely shared and widely diffused norm- and values-base. However, this base was with its

organisational allies, and *not* with government. The two were not similar. Therefore the norms that were diffused were not necessarily those which led to compliance with the institutional pressures exerted by government, and pulled the organisation towards greater resistance.

Coercion

It was possible to see examples in which coercion played the role as predicted – where increasing levels of what Oliver (1991) describes, with the relatively value-laden term, "legal coercion" (p.167) led to decreased levels of resistance. For example, Kelly's decision to comply with the PBI status reporting was greatly influenced by her knowledge of the ATO capacity to audit organisations at random – a classic example of the influence of legal coercion.

However, the relationship between coercion and resistance was not consistently correlated inversely like this. In the narrative about structural changes at Doberon (see 6.1), Kelly experienced the "in-the-box" or rigid and inflexible nature of the government officer who administers the program as leading to an increase in the level of coercion involved. Despite this increased level of coercion, I interpreted this as still a narrative of avoidance, involving a relatively high level of resistance. Indeed, in her description of the event, Kelly gives the impression that if the bureaucrat had been less "in the box" and legalistic in his approach, then she might have been inclined to a more compliant or transparent approach. In other words, if the PCC was more likely to be able to negotiate alternative ways of meeting the service agreement requirements, in accordance with their understanding of

Doberon's changed needs and "structural issues", then she would have been more likely to make a less resistant response. So here the data demonstrates that despite an increase in coercion, there is no subsequent decrease in resistance.

Why is it then that in the instance of my narrative of the PCC's *PBI status*, the increased legalistic coercion led to a more compliant response whereas in the *structural changes at Doberon* narrative, the increased legalistic coercion led to a response of avoidance? I think perhaps Kelly's interpretation of the imminent possibility of such legalistic coercion being strictly monitored was a feature. As described in 6.1, Kelly engages in avoidance here partly *because she could*. The PCC was able in this instance to *"fly under the radar"*. Kelly is also aware that the funding for this program will run out soon anyway and does not see any other response as being in the best interest of the PCC. Whereas, Kelly's interpretation of a peer organisation in a nearby area being audited by the ATO was that she felt there was a good chance the PCC might also be audited and that this would have serious implications for the ability of the PCC to offer its staff salary sacrificing and effectively higher wages. She made judgements in both of these circumstances about the relative risk and consequences resulting from the levels of legalistic coercion.

In this way my data supports a definition of coercion broader than a purely legalistic one. The above examples suggest that it is not merely the presence of legalistic coercion which influences response, but the extent to which this coercion is likely to be enacted (as interpreted by the organisational leader). There were also examples in my study where coercion existed not just in a *legal* form. The FAA

experienced both economic and legitimacy-related coercion. This can be seen, for example, in what I interpreted as FAA's acquiescent narrative about responding to the government initiative. In this instance they experienced pressure from government to demonstrate their support for a government announcement. However, they were not legally or contractually obliged to do so. Instead, this coercive pressure was applied in that if they supported government's announcement, they believed – to a certain extent – that there would then be a greater likelihood that government would include them in future discussions.

7.3 Context: The influence of uncertainty and interconnectedness

Oliver describes two ways in which the context influences the decisions an organisation makes in responding to institutional pressures: depending on the uncertainty of general future events and the interconnectedness of people and organisations in the field. The way in which these antecedents are predicted by Oliver to influence organisational tactics used was:

> The lower the level of uncertainty in the organization's environment, the greater the likelihood of organizational resistance to institutional pressures.
>
> The lower the degree of interconnectedness in the institutional environment, the greater the likelihood or organizational resistance to institutional pressures (p.170).

Uncertainty

Based on the resource dependence and institutional theory arguments that organisations will seek to minimise uncertainty, Oliver (1991) suggests that because organisations prefer certainty, they will seek to increase it by complying with institutional pressures. However, my findings suggest that – despite difficulties in

determining the specific presence and role of uncertainty – while organisations do seek out certainty in their actions, it is not necessarily through the pathway of acquiescence.

One difficulty in understanding and interpreting the role of uncertainty here was identifying simply "uncertainty about what?" All three NPOs experienced high levels of uncertainty almost as a constant baseline in their work and relationships with government. I found it difficult to understand the impact of these high and changing levels of uncertainty. For example, consider again the narrative about the PCC's PBI compliance. In this narrative, Kelly's concern about being audited is increased significantly because of her knowledge that another organisation nearby was audited, although she is completely uncertain of what the outcome of this audit was. I have chosen to interpret Kelly's experience here as being one of *heightened uncertainty*, leading to fear that the PCC is at a high risk of being audited. However, it is also possible to interpret the opposite: that Kelly's response is *increased certainty* that the PCC *will* be audited.

Another example is in the instance is that of Robwood in the EOI negotiation in Chapter 5. When Kaye was led to believe that another organisation had signed all its contracts with the department, this led to a strongly defiant and even manipulative response. However, what I find difficult to ascertain is whether Kaye interpreted this discovery as increasing or decreasing the level of uncertainty in the environment. Did it increase the *uncertainty* about what was happening for Robwood, or did it increase the *certainty* for Kaye that Robwood was receiving inappropriate treatment by government?

My difficulties in understanding and interpreting uncertainty are not merely semantic. It is added to by my finding that both increased *and* decreased levels of uncertainty could lead to an organisational response involving *less* resistance. For example, consider my description of Robwood's contractual compliance system (in 4.4). This describes an administrative system established to deal with both the certainty of reporting requirements and with the uncertainty of idiosyncrasies of each department. As is suggested by Oliver, Robwood has clearly sought to increase its own level of certainty by developing and refining such a system. Robwood's response both to certainty and uncertainty was to work towards certainty.

In the same vein, I also found that *increased* uncertainty could lead to *both* increased and decreased levels of resistance *at the same time*. For example consider FAA's acquiescent response to the government announcement (in 5.2). In this circumstance, uncertainty played a role in FAA's response: they had to act quickly to respond, because they didn't know what the announcement would be until Eddy received the phone call from the minister's adviser the day before. Because of this uncertainty combined with the rapid turnaround period in which Eddy responded in a media release from FAA, uncertainty *did* lead to a more acquiescent response. This was because she and her Faith Aid network colleagues did not have a chance to realise their full critique of the policy measure until after they had time to analyse it in more depth. They therefore erred on the side of acquiescence with their initial media response, as they wanted to keep their relationship with government open. But also in this way, their uncertainty led to a

more "*tempered*" response, because Eddy knew that FAA were being "used" by government, and didn't want to sign on to something that they'd later have to "*back flip*" about.

So, while uncertainty did appear to play a role in influencing organisational response, it was not simply that acquiescence was the key pathway through which this occurred. Indeed, the NPOs I observed often sought to increase certainty by engaging in proactive manipulation, or lobbying. For example, with the PCC, when the parenting support program funding was due to come to an end (in 6.3), Kelly sought certainty by lobbying to the minister to appeal for more funding. As my fieldwork with Robwood came to an end, a senior manager had been moved from her program operational managerial role to focus on lobbying and strategising, seeking funding for a program that had previously been entirely funded by Robwood. Robwood was seeking certainty for this program's funding via lobbying and proactive manipulation in an environment where its financial security was becoming increasingly uncertain.

Interconnectedness

Oliver suggests that high levels of interconnectedness facilitate voluntary diffusion of norms which leads to a homogenous or isomorphic field where organisations are generally more compliant with the institutional norms. The findings of this study, again, suggest that sometimes this relationship associating high levels of interconnectedness with low levels of resistance is demonstrated, while sometimes it is not. For example, in the PBI compliance narrative, Kelly's interconnectedness

makes her aware of what happened for the other organisation that had been "audited" which then leads to her hyper-vigilant acquiescent response. However, on other occasions, Kelly's experience was the opposite.

In the PCC's *structural changes at Doberon* narrative (in 6.1), Kelly describes a previous experience with the government worker who manages the contract for the program at Doberon. Her previous experience with this government worker was one where she had received advice about how to run the program from this state-based federal public servant. However, this advice was the opposite to advice she had received through a trusted network of providers to whom the PCC was closely interconnected. Because Kelly trusted the advice from the network more than the advice from the government, she defied government in that circumstance. So, in this instance Kelly's interconnectedness with a network which asserted values other than government meant she was more inclined to resist the government pressures.

As with diffusion (see 7.2), it appears that interconnectedness does play a role in the level of organisational response resistance. However, whether interconnectedness leads to more or less resistance to government pressures depends on whether this interconnectedness is with a set of values and norms that are shared by government or not. Such a conclusion is supported by the role of interconnectedness in Robwood's EOI negotiation. Here, interconnectedness was a strong feature of the narrative, and yet – again, as described above in diffusion (7.2) – the interconnectedness was shared with other NPOs, and *not* government. Therefore, the response involved much greater levels of resistance, limited only,

ironically enough, by the interconnected interdependence between the NPOs and department. When, during the EOI process, the department head came to visit the peak's board meeting, the group of organisational representatives present were aware that while the meeting might not stay "friendly" it was important to keep talking with the department about the EOI process. In this way interconnectedness increased resistance, but only to a point where it could continue to be productive.

7.4 Constituents: The influence of multiplicity and dependence

According to Oliver's framework, organisational response is influenced by *who* is exerting the institutional pressures. In particular, Oliver identifies the multiplicity of constituent demands and dependence on these constituents as the two constituent-related elements influencing the tactical response of an organisation. Oliver describes the influence of these two aspects of "constituents" on an organisation's choice of tactics with the two hypotheses:

> The greater the degree of constituent multiplicity, the greater the likelihood of organizational resistance to institutional pressures.
>
> The lower the degree of external dependence on pressuring constituents, the greater the likelihood of organizational resistance to institutional pressures (p.162).

Multiplicity

Non-profit organisations regularly have multiple stakeholders (Woodward & Marshall, 2004). Despite the focus of this study on the experience of non-profits relationship with government, it was clear to see that the three organisations in this study also regularly dealt with multiple stakeholders and constituent groups (as is already highlighted in the multiple sources which define legitimacy, identified in 7.1

above). For example, there was a multitude of constituents who appeared to have some influence on the strategic responses of FAA. These constituents included members of their governance group, the church network, the Faith Aid provider network, the government, as well as the expectations they placed on themselves to be a voice not only for their service users, but for the poor and marginalised at large. The constituents who were associated with the PCC were the various government departments that provided their funding, their board (management committee), the advisory groups of peers and volunteers that they had established to steer their work, their peers in general, themselves, the service networks to which they belonged, the groups they rented rooms to, their local politicians, and the "community" they espoused to serve. The constituents who influenced the strategic responses of Robwood included, but were not limited to the various government departments they dealt with, the peak they were a part of, their peers, politicians/political staffers, the parent organisation and its related structures, and, of course, their service users.

So the experience of multiple constituents was common across each field site – however these multiple constituents did, of course not always have divergent expectations. On the few occasions when Kelly referred to the PCC's management committee, she described it as having a relatively unified voice. Vice versa, what might have appeared to have been a single constituent may have actually incorporated a range of divergent expectations. For example the FAA board, despite operating with a consensus decision making model and therefore appearing to have a single set of expectations, still may have contained members with a range

of opinions about the work of the organisation, and therefore is more accurately described as a group of multiple constituents. The same could be said for a single government department, which could reasonably be expected to be a "single" constituent. However, as demonstrated in the introduction to Robwood in (4.4), Sophia's complex contract compliance system was required, in part, because of the multiple sets of expectations for reporting and payment, even from within the same departments. So, while Oliver specifies only the multiplicity of constituents as relevant, I would suggest that it is only when these multiple constituents have divergent expectations that multiplicity is likely to be associated with resistance. The findings here suggest also that measuring high and low numbers of constituents is also not necessarily as straightforward as counting organisations, groups or people.

Overall, when I look at the data from this research about multiplicity, I find it very difficult to see particularly informative incidents where stakeholder expectation divergence/multiplicity played a significant and obvious role for the participants. It was not a prominent feature of the participants' descriptions of, or reflections on their experiences in responding to institutional pressures. It is possible, but hard to know for sure if divergence/multiplicity affected whether the organisational response was more or less resistant. It is possible to see, however that it affected how complicated it was to comply or resist.

For example, in the instance of Robwood's EOI negotiation with the department (in 5.3), multiplicity/divergence further complicated an already complex process – possibly contributing to a greater level of resistance. However this finding is

unclear. Certainly across each of the three field sites there was, at times, considerable work done by the participants to bring a common, unified organisational voice together – such as Kelly's board attending her courses on her preferred style of practice. Such efforts were possibly done to reduce the chance of the stakeholders within the PCC demonstrating multiplicity or divergent views - in other words, reducing multiplicity. Whether this then led to a greater propensity for resistance is again possible but unclear. So, in summary, unfortunately I do not have confidence in the data from this research to make conclusive statements about multiplicity. My inability to make conclusive or suggestive statements about the effects of multiplicity/divergence on organisational response is possibly due to my focus on NPO responses to government, and not other sources of institutional pressure.

Dependence

Oliver stresses, in line with the theory of resource dependence (Pfeffer, 1997; Pfeffer & Salancik, 1978), that dependence (not only for funding or financial support but also for example, for public opinion) has a particularly strong effect on strategic response. Dependence is closely linked with compliance. Indeed, in this study, the narratives of acquiescence (in 5.2) demonstrate the relevance of dependence on acquiescence. Both Kelly's response to the PBI and Eddy's response to the government announcement was indeed influenced by the dependence that both these women believed their organisations had on government – in one instance for a tax status that allowed salary sacrificing to be offered to staff, and for a seat at the policy table in the other instance.

However, a low level of dependence was not necessarily a feature of the narratives of greater resistance. For example, again for Kelly and Eddy (in 6.1 and 6.2), their dependence on government funding for program funds did not prevent them from resisting government pressures. This was despite the sometimes inevitable consequence of a reduction in funding as a result. In these instances it appeared to be that the role of dependence diminished and these women judged other issues to be more important. For example, for Eddy, refusing to implement the controversial government initiative (in 6.2) – despite the potential loss of funding for the Faith Aid network providers – was about the content of this work being unpalatable of the faith-based organisations. For Kelly, giving the money away (in 6.1) was also about what was unpalatable work for the PCC, just as "telling off" the government officer was also about the unpalatable expectations of the opening hours for the PCC.

The role of dependence was most interesting when considered in relation to Robwood, and especially to my narrative of their EOI negotiation (in 5.3). In this instance, dependence did play a role and was responsible in part for their more, rather than less, compliant response in the end. It was at the point where Kaye acknowledged that the funding provided the resources for the "backbone" of that particular type of service delivery, and without it, Robwood would stop providing that type of service altogether. However, digging further into the discussion around Robwood's decision to continue negotiating, it is interesting to note that the board did *not* discuss the impact of the loss of funds on the financial viability of the

organisation. Instead, the decision revolved around continuing to provide a service for which the organisation was renowned.

In some ways this then could be interpreted as being about Robwood's dependence on the department for *legitimacy* rather than funding, however, I believe it is possible to see from the data that the issue also incorporates more than just legitimacy. I believe that the discussion held between Kaye, Ronan and the Robwood board, described in 5.3 can be roughly summarised as: *if we want to stay in the game, then we cannot resist completely.* They are dependent on the service delivery relationship with government – in part for legitimacy and in part for essential financial support – but *fundamentally* to continue to have a voice in the design of the system that supports their service users. I discuss this theme further in Chapter 9.

7.5 Content: The influence of consistency and constraint

Another pair of factors predicted by Oliver to influence the decisions and strategies of organisations as they respond to institutional pressures is about content – the content of the pressures themselves. The content category is about *what* norms or requirements to which the organisation is being pressured to conform. In particular, Oliver sees the important features of content as the extent to which institutional norms are consistent with the organisation's goals, and how much they limit or constrain the organisation's discretion, or cause a "loss of organizational freedom... and decision making autonomy" (p.166). Oliver predicts that organisations "will be expected to acquiesce more readily to pressures that do not

constrain substantive organizational decisions, such as resource allocation, product or service selection, resource acquisition, or organizational administration (e.g., hiring, compensation, promotion)" (p.166).

Oliver predicts that content, like dependence, is "particularly important in predicting the employment of alternative strategies" (p.165) and the relationship with resistance is anticipated with the following hypotheses:

> The lower the degree of consistency of institutional norms or requirements with organizational goals, the greater the likelihood of organizational resistance to institutional pressures.
>
> The greater the degree of discretionary constraints imposed on the organizations by institutional pressures, the greater the likelihood of organizational resistance to institutional pressures (p.164).

As predicted by Oliver, my data confirms that, indeed, content was "particularly important" and a very strong theme across each of the three NPOs.

Consistency between institutional norms and organisational goals

As demonstrated already throughout a series of narratives, for the participants in this study, having consistency between institutional norms and organisational goals was a key ingredient in deciding on organisational response. In many instances, an inconsistency between institutional norms and organisational goals directly led to a more resistant response, despite other antecedents suggesting that a less resistant response might be predicted. For example Eddy and Kelly were both willing to risk significant financial loss rather than to engage their organisation (or network of organisations) in work where there were irreconcilable differences between the institutional norms and organisational goals – in their *avoidance* and *defiance*

narratives (6.1 and 6.2). In this way, I found the role of *consistency* to be much as Oliver predicted, and suggested in other NPO literature, where a NPO's "primary accountability is to 'the cause,' and the expectations of others are important only insofar as they align with this important duty" (Brown & Moore, 2001, p.571).

What was interesting to discover about consistency, however, was its role in the *less* resistant responses. Even in the narratives of acquiescence, the consistency between organisational goals and institutional pressures was never an exact match. For example, the ATO's definition (in 5.2) of an organisation which is eligible for PBI status was not *precisely* in line with the PCC's "indirect" approach to working with people. This inexact match was important in Robwood's EOI negotiation, where the department's norms about price per unit were initially vastly different to Robwood's. In both of these instances, as well as in FAA's "we won't bite you" response to the government announcement (in 5.2), one of the important roles of *consistency* is that Kelly, Kaye and Eddy identify a closer match between *broader* organisational goals and the institutional pressures being placed on them. Or, in other words, Kelly, Kaye and Eddy were able to identify close consistency between *overarching* organisational goals and the eventual outcome of each episode (which, in the less resistant narratives, was one and the same as the institutional pressures). Here, the issue in many ways was about how the leader *defined* and *framed* the goals of the organisation, and thus the consistency of these goals with the institutional pressures.

For example, the deadlock between Robwood and the department is finally solved only when Robwood acknowledges its *overarching* organisational goal to "stay in

the tent". The institutional pressure is that all the organisations accept the department's price per unit, and because of Robwood's overarching goal to remain involved in this type of service delivery, they are willing to comply with this institutional pressure. For FAA, due to a *moderate* level of consistency between the organisational goals and the institutional pressures in the "we won't bite you" narrative, it was possible for FAA's media release to simultaneously be acquiescent enough to correspond with institutional pressures while also being "tempered" enough to maintain consistency with its organisational goals. However, as Eddy acknowledges, *"we could've decided not to... but we didn't".* The reason FAA decides to even commence such an acquiescent response is because this response is consistent with the organisation's *overarching* goals for the organisation to be *"on the calling list"* and for the Faith Aid network to *"know it's own mind".*

Discretionary constraint

Just as for consistency between institutional pressures and organisational goals, the importance of an imposition on discretionary constraint was a powerful influence on organisational response. A common feature of all the narratives of resistance was the impact of discretionary constraint. Indeed, again as with *consistency* above, the impact of discretionary constraint could over-ride other factors suggesting a more compliant response. For example, along with the consistency of institutional norms and organisational goals, discretionary constraint influenced Kelly giving the money away in my description of the PCC's experience of avoidance (6.1). In this instance, Kelly believed that being required to provide a particular type of service greatly constrained her ability to engage in the type of professional

practice to which she was committed. This clearly fed in to the decision to exit that type of service from the auspice of the PCC.

For Robwood, a key feature of the way this organisation exercised its discretionary constraint involved costs it was willing to incur to bring about what it perceived as an increase in service quality. This meant that concern about a drop in the quality that would occur if Robwood provided a service only according to the funding provided by government *fuelled* its level of resistance in the EOI negotiation process and formed the basis of *constraint* having such a powerful impact:

> *"Our position on this is that while we appreciate there may be less funds available to* the department *than would adequately service all children and young people in care at the levels we propose – the solution is not to do many things badly vs some things really well."*
>
> *Ronan, Robwood*

The relationship between constraint and resistance in instances where it over-rode other antecedents appeared to be straightforward. As summarised by Eddy: *"If we accept funding for a service then it's a Faith Aid service".* Or, as stated by Kelly: *"we are her employer and we'll tell her what to do".* In other words, if government imposed discretionary constraints that meant the organisation was unable to exercise its own autonomy, then it was not interested in complying. Yet, when described so simply, it is clear to see again, that a pivotal element to this cause-and-effect sequence is the way the leader of the organisation *defines* what the organisation does, what it is, and what it tells its workers to do.

As suggested by Oliver, it appeared that the organisations were more willing to tolerate constraint in some areas of their operation than others. For example, Kelly

appeared to be willing to acquiesce with constraints around issues such as conducting regular staff performance appraisal reviews (see 4.3) than she was about the opening hours of the centre (6.2). Robwood was willing to acquiesce about streamlined contractual administration procedures (4.4) more so than it was about staffing-client ratios (5.3). These examples suggest perhaps constraint is tolerated more when applied to administrative procedures. Such a suggestion also raises interesting questions about the point raised above: that the leaders ultimately play a role in deciding what aspects of their organisation's work does and does not align with the expectations of government.

7.6 Conclusion

In this thesis, Oliver has provided a useful framework for conducting interpretive analysis of the mass of qualitative data generated in the course of this study about the experiences for the leaders and leadership teams of non-profits in the human and community services sector as they respond to pressures from government. Oliver's framework is a valuable heuristic tool for systematically interpreting individual cases and applying organisational and institutional theories to this small-N comparative case study research project. Indeed, this study generally supports Oliver's fundamental notion that "organizational choice is limited by a variety of external pressures" (Oliver, 1991, p.146).

Through exploring the experiences of NPO leaders in this study, with a focus on the "predictive antecedents" that were evident in their narratives of resistance and compliance, I have, in this chapter, demonstrated the significant usefulness of

Oliver's hypotheses in predicting NPO response to government pressures. However, through delving deeper into this predictive aspect of Oliver's framework, I have also identified circumstances and examples where the framework does not *fit*. With access to such thick and detailed data, it has been helpful to explore possible reasons for the instances in which Oliver's predictions do not fit with the experiences of the NPO leaders here. Sometimes this ill-fit can be explained simply by one antecedent over-riding another and sometimes with a suggestion that Oliver's category would benefit from an expanded definition. Sometimes the ill-fit between the data here and Oliver's predictions can be explained through a range of *other* factors that appear to be important drivers in explaining the response of NPOs to government pressures in the process of social policy implementation. One example of these other factors is the way in which the NPO leader framed and defined the organisation's norms, goals and practices. It is on these *other* factors that I now focus in Chapter 8.

CHAPTER 8

BEYOND OLIVER'S EXPLANATIONS OF NPO RESPONSES TO GOVERNMENT PRESSURES

8.1 Introduction

The previous three chapters have focused solidly on applying Oliver's (1991) framework to the experiences of the participants in this study. The framework specifically focuses on the impact of institutional pressures on organisational response and does not claim to account for the role of individuals, or even the features of the organisation. Thus, considering especially the range of organisational, contextual and personal features raised in Chapter 2 as having potential impacts on the experience and role of NPOs in social policy implementation, it is not surprising to see aspects other than cause, constituents, content and control featuring for the participants in this study. Oliver (1991) recognises some of these additional factors, but she sees these as part of the "scope conditions" and does not include them in her framework:

> The scope conditions under which organizations are able to conform are bounded by organizational capacity, conflict and awareness. Inadequate organizational resources or capacity to meet the requirements for conformity, conflicting institutional pressures that make unilateral conformity unachievable, and lack of recognition or awareness of institutional expectations limit the ability of organisations to conform to institutional requirements. These boundaries on the willingness and ability of organizations to conform drive the predictive dimensions hypothesized... which determine the likelihood of resistance (p.159).

In bringing forward a range of themes that existed as important to the participants in this study I am mindful of Meier's "caustic suggestion" (O'Toole (Jr), 2000, p.268): that the implementation literature is characterised by "forty-seven variables that

completely explain five case studies" (Meier, 1999, p.5) and therefore "any policy implementation scholar who adds a new variable or a new interaction should be required to eliminate two existing variables" (Meier, 1999, p.6). The findings and analysis presented in this chapter do not seek or even attempt to provide an *exhaustive list* of the "variables" which appeared to influence NPO action and response in this study. Instead, I raise a number of explanatory themes that exist alongside Oliver's framework of institutional variables and I explore the way these antecedents and actions interact.

I have broadly grouped these themes as relating to the context, the organisation and the individual. I briefly describe each in turn. In discussing both the context and the organisation using the detailed ethnographic data from this study, I demonstrate how the "structural" features are experienced and interpreted in the first person by the participants (Rhodes, 2002). The importance of the personal experience is also reinforced in the section *people matter* (see 8.4). Doing so serves to build this analysis beyond Oliver, towards the conclusions found in Chapter 9, which address the many puzzles raised in Chapters 1 and 2.

Discussing these elements in this way, instead of seeking to add variables to Oliver's list, I highlight the missing role of agency in Oliver's structuralist-functionalist and somewhat deterministic account of the nexus between institutional pressures and NPO behaviour. Through this discussion the learnings from this thesis also move closer to their application to the social policy implementation literature. Oliver's framework for seeing and understanding the role of structural explanations of NPO

behaviour and response has been a highly useful tool – not just for what it has already demonstrated but how it has directed my exploration to what findings remain unexplained. Oliver has provided the tools for digging deeper into the data, which is what I now seek to do.

8.2 Context matters

Oliver's predicted contextual features, uncertainty and interconnectedness, were not the only aspects of the context which influenced NPO response in this study. There were many other aspects of the environment that played a role in determining the organisational response to institutional pressures. It was clear that the participants considered aspects of the field or sector when they made their responsive decisions. Features of "the field" – such as the level of competition – are recognised elsewhere in the literature as impacting on non-profits choice of tactics (Barman, 2002). These aspects included but were not limited to what kind of service delivery supply and competition existed (what, who and how were other organisations relating to government and where were the service supply gaps), as well as analyses of the demand environment (what kind and level of need existed). The influence of context also involved the NPOs making the most of opportunistic synergies between government and organisational priorities.

Context included other organisations, networks, the media, political cycle and legal system. Being part of networks was important in each of the three NPOs. For example, Robwood's "parent" organisation intervened when the EOI negotiation process appeared to be going nowhere (in 5.3). Receiving information from a

trusted network of providers greatly influenced Kelly's previous and subsequent decision to go against the advice of an "in-the-box" bureaucrat (in 6.1). Strength in numbers possibly assisted Eddy's stance of defiance in Chapter 6 (in 6.2). The involvement of the minister – *"a minister makes all the difference"* [Emma, Robwood, 5.3] – could also be important, as it was in the instance where Kelly visited the minister aiming to lobby for an extension of funding (in 6.3). The presence of an election (during FAA's lobbying in 6.3), and the involvement of media (in *Stan and the peppercorn rent*, 6.2) were all other features of the context which emerged in the observations or descriptions of organisational response.

For the participants in this study, context also included the different parts of government: the political or administrative arms of government; state and federal governments; and the different departments within each level of government. For the participants, this was experienced through features of the department or government with whom the participants were interacting. For example, in Robwood's EOI narrative (in 5.3), the source of government pressure is a department in crisis. According to Ronan's introduction to the sector, the department has been repeatedly criticised for a number of years and indeed the whole sector has been in "dire straits" for some time. This opens the door for Kaye to engage in what I see as open and extreme criticism of the department in the two page newspaper spread, yet to consider this as a tactic which is nothing out of the ordinary and indeed appears to make little difference to the negotiation process.

In addition to these circumstance-by-circumstance contextual features that emerged as important, two pervasive and strong contextual features also arose from the data: the role of ambiguity and history.

Ambiguous goals and technologies

As suggested in institutional theory, environments and organisations characterised by ambiguous technologies and loosely defined goals influence the way an organisation engages with and responds to its environment (Meyer & Rowan, 1977; Scott, 2008). Such loose goals and ambiguous technologies certainly played a role for the participants in this study. It appeared that, while some of the services in which the NPOs in this study were concerned were more prescribed than others, that there was often a tangible level of discretion involved in *all* service delivery. Sometimes this was particularly notable.

For example, Kelly notes in Chapter 4 (4.3) "*the problem is that the department is funding a style of professional practice without realising or understanding what that means...* you find with this community work type funding, because governments don't really understand the work, they make quite broad goals and performance measures, and that's sort of good for us... because then we can just sort of mould that to what we think are the local needs". In a similar theme, the lack of "exact science" [Ronan, in 5.3] in costing Robwood's delivery package is at the crux of the prolonged negotiation with government.

One implication of the social policy implementation environment as one in which benchmarks and practices are institutionally or socially defined and (at times) hotly

contested was that a great deal of activity (for both NPO and governments) and much of the relationship between the NPOs in this study and governments involved defining these benchmarks. The contestability of legitimate operating benchmarks meant that the nexus between governments and NPOs became one key "space" in which such benchmarks were contended and redefined as they were received and enacted by the participants (Benjamin, 2008). For example, such was the case when Kelly decided that she needed to work at a level above that for which the PCC was funded (in 6.2).

This was an interesting finding also in terms of the distinction between advocacy and delivery activities for the NPOs in this study. As seen in Chapter 6, the NPOs all engaged in activities that overtly attempted to influence the benchmarks or norms of the social policy implementation environment, through lobbying and advocacy. However, they also did so by determining and defining the norms and standards of practice as they enacted them. This was particularly the case for Robwood and the PCC, who were involved in direct service delivery.

History

Another important contextual theme arising from the data was the persistent influence of *history.* By history I mean the history of the relationship between the NPO leader and their counterparts in government; the history of the organisation's relationship with government; and the history of the organisation's involvement in service delivery or lobbying. While this *history* theme relates also both to organisations and individuals (both discussed in more detail below) I have included

it here as a feature of the context because it was experienced by the participants in this study as something which set a broad context for the nexus between the NPOs in this study and governments. History formed a backdrop to the nexus between NPOs and governments. It was "the dirt... there's always dirt" [Kelly, 4.2].

Just as Noordegraaf's (2007) research with policy managers found their language was "infused with time" (Rhodes et al., 2007b, p.210), explanations by the participants in this study of what was going on seemed impossible without reference to the history of what had gone on before. It was sometimes frustrating as a researcher seeking to understand the contemporary and current experience of the participants, when the participants constantly explained this to me in terms of what had previously happened. However, my frustration led to insight as I began to understand the pivotal importance of history.

Because of the, at times, relatively intimate nature of my fieldwork, I was able to gather a beginning picture of *how* history was experienced in the day-to-day work activities of the participants. Of course, their past experiences relating to government influenced their expectations of this relationship in the future, at least in part, even when this relationship was not with a specific human, but instead with the impersonal face of the department. The following example of such influence is a description from my field notes of two of the NPO workers I observed during my fieldwork at the PCC.

> Two young social workers are completing an online application form for about $2,500 worth of funding for a community event. They are frustrated with technical glitches in the online form's format which won't allow them to cut and paste from their draft word processing document into the online form. They are unable to see what they wrote at the beginning of their answer to one question by the time they

get to the end, because the space for viewing the answer is smaller than the space allowed for the answer.

They express annoyance with the way the form asks for them to list "measurable outcomes" by which they will judge their event to be a success: their professional framework is one which values diffuse, knock-on community benefits, not one where they can report on how many children received an immunisation injection or other through-put or output based measurements meaningfully. While they understand the need to be accountable, "this silly counting stuff is just ridiculous, it is not just about the number of people you help, you might do intensive work with a small number of people who are leaders in their communities and make a big difference to those communities, or you may do superficial and ineffective work with hundreds of people that makes no difference – the measurement is misplaced, it is a measuring the wrong thing, not what is really going on or what really matters." One worker shares a story of a place she worked in a few years ago, where another similar service in her local area at the time typically got the most funding – and was also the one that gave the most "superficial" kind of service to the people in the least amount of need – "but because they had more people walking through their doors, they got the most money".

Throughout the process of completing the form, their confidence in this style of relationship with government is gradually eroded. In this context, with their frustration levels already high, they debate at various stages what kind of information they need to include in order to best position their application for success – how many people should they guess will attend the event – they feel it needs to be a realistic number, yet one which will give the event credibility and increase its chance of receiving funding. They wonder if or how will the department check how many people attend? How much money should they ask for? Their responses are influenced, at least in part, by their "faith" in the "system".

They weigh up their wording very carefully – there are particular words they see are written in related government documents, which they feel they should include in their application, to demonstrate how their project is aligned to the work of the department. However, they also feel that some of the wording on the government documents is outdated, and using such words is at odds with their professional identity.

In the end, after spending much more time on the application than either of them had planned, at least two hours, they are uncertain if the request for funding will be approved. They submit the form and cross their fingers.

Fieldwork Notes

This example provides just one demonstration of how the perceived personal history of relationships – as well as Oliver's defined antecedents – can influence even the simple task of acquiescence. In some ways here, *history* could be seen as

a short-cut term for the accumulation of *personal biases,* which, according to the workers in this narrative, can be seen as resulting from previous experience. Oliver's antecedents also played a role. The extent to which these workers felt the department will police and double-check attendance at the event compared to the attendance they propose in the form (what level of coercive control the department had and how interconnected was the environment) was important.

While the experience of these two young social workers is firmly grounded in the present it is also influenced by their pasts. It is influenced by the here-and-now realities of filling in the on-line form with its technical complications, their time constraints, their professional practice framework and its associated vernacular and their personal bias towards intensive work with a few rather than superficial work with many. Their experience and frustration with the form are experienced as another layer on top of their growing backlog of cynicism about government processes in general. Such layers of history here appear to complicate what should otherwise be a simple process of acquiescence. In this instance, the impact of history was to introduce greater levels of resistance into the workers' response.

This finding is particularly relevant, considering that relationships with a history incorporating low-trust episodes were clear across the board for all participants in this study. Eddy acknowledged how *"it's very easy to be seduced into 'we're the government's best friend'... but when government's selling a policy, they want you for your support"* (5.2). Ronan had a low confidence in the EOI negotiation process because of a trail of disconcerting experiences already – such as the amount of time taken for the department to provide feedback about the EOI submissions as well as

an insubstantial, incomplete and incorrect "list" as the primary document announcing "successful" submissions. Other research specifically about NPOs involved in social policy also notes the importance of history in the relationships between NPOs and governments (Bigelow & Stone, 1995; Onyx et al., 2008; Ramanath, 2009; Shaw & Allen, 2006). Studies repeatedly reinforce the influence of high-trust relationships for collaboration in institutional environments, yet often depict a low-trust experience between NPOs and governments.

History is particularly relevant in institutionalised environments such as this one in which social policy implementation occurs, with its ambiguous technologies and loose goals, because of its influence on *precedent.* Knowing the importance of what has happened in the past sets a standard by which what happens now has a relevance not just for now, but into the future. This is seen, for example, again in Robwood's EOI narrative (in 5.3), in which some staff are concerned about the precedent set by Ronan, who they believe has been *too* willing, too quickly, to reduce the price for which Robwood is willing to provide the service. This finding, as with many others in this study, suggests the relationships between governments and NPOs involved in the process of social policy implementation are institutionalised and not "simply equilibrium contracts among self-seeking, calculating individual actors" (March & Olsen, 2006, p.4).

8.3 Organisations matter – competence, capacity, identity and goals

As well as features of the context, a range of organisational features played a role in influencing organisational response across the three NPOs in this study. As pre-

empted in Chapter 2, such a finding – that organisational features play a role in determining NPO activity and response – corresponds with other empirical third sector and organisational research (see for example, Akingbola, 2006; Chew, 2006; Smith & Lipsky, 1993). The strongest themes to emerge from the data in this study were the organisation's capacity, competence, profile and the overarching direction in which the organisation was strategically manoeuvring towards or maintaining itself.

Capacity and competence

Obviously organisational capacity and competence were important and influential in determining the responses of the NPOs in this study. It can be costly and complicated to comply with the varying expectations of the different arms of government, and particularly resource-intense to proactively lobby government or even make funding submissions (Fredericksen & London, 2000; Productivity Commission, 2009; Ryan et al., 2008). For example, Robwood had paid Ronan's salary for a year out of its own funds while he was "off line", preparing and negotiating the EOI submissions.

Analytical competence and organisational memory were two important features of organisational capacity. For example, in contexts where benchmarks were contestable, Ronan's extensive management experience and intricate modelling work, which he had combined to determine the "true" or "real" cost of service delivery, formed a cornerstone of Robwood's negotiation with the department. Despite Ronan's claims it was not an "exact science" Robwood may well *not* have

resisted the price suggested by the department to such an extent if it did not have such a well-defined position. The budget night narrative in Chapter 4 (4.2) graphically highlights the rapid "real time" in which organisations are often required to make their responses to government announcements – acquiescent or otherwise. FAA's access to modellers who, with an intimate knowledge and understanding of how to analyse the details of the government announcement in Chapter 5 (5.2), were willing to work on weekends enabled it to provide detailed feedback and criticism of the announcement within a relevant and acceptable timeframe.

Organisational capacity related, in part, to sheer organisational size, strength and profile. A clear example of the importance of organisational size and profile can be seen in Chapter 6 (6.1), where Kelly and the PCC avoid the scrutiny of government partly "because they can" due to the PCC's low profile within this department. However, in other circumstances where the PCC did not have such a low profile, Kelly opted for different responses. Robwood's size and profile had probably made it possible for Kaye to meet with the department head (in 5.3), while the CEOs of smaller organisations could only raise their eyebrows and wish for such an opportunity. Organisational size was highlighted in Chapter 2 as a feature commonly identified in the literature as having an impact on NPO response to government pressures (see for example, Smith & Lipsky, 1993).

Capacity was seen to enable the NPOs in this study to do more than what was expected of them and fundamentally gave the organisations in this study an element of *choice* in their responses.

> *If we only did what the department funded us to do, this would be a very different organisation. We use* the income from *our room rentals income to fund and do other things... We are not our government grants. We are here in the community for a greater purpose.*
>
> *Kelly, PCC*

> *I do think it gives you greater flexibility to have money to say 'no'...*
>
> *Monty, Robwood*

Capacity was influential particularly in terms of lobbying or proactive engagement with government. Robwood was able to engage in manipulation and lobbying activities because its independent revenue funded a significant portion of its social policy and research branch. FAA was able to focus a significant majority of its work on lobbying because it was funded entirely by the church and provider networks. However, an organisation did not need to have millions invested to be able to creatively use what capacity it had for its own proactively self-determined ends. Kelly made it a priority to take time out of her ordinary position to prepare her social policy submission (in 6.3), even though she experienced this as an imposition on her weekends. She did this partly because she saw herself as having the delegated authority to make the managerial decision that enabled her to take time from her ordinary job and partly because she felt personally compelled to prepare the submission.

The women at FAA were acutely conscious of the impact of capacity on the work of the organisation – the two were experienced as essentially synonymous. FAA actively sought to increase its size and profile as inherent features of its capacity. Because of her drive to build capacity and her concern that the current capacity of FAA was insufficient to achieve its goals, Eddy spent a large amount of her time

pursuing FAA's "future funding project". This was a project in which she lobbied the provider and church network for an increase of funding to the office to employ more staff and increase the office's capacity. Future funding for FAA gave rise to passionate debate at FAA's governance committee meeting – the following is an edited excerpt from my notes during this meeting:

> The next item for discussion is about the future financing of FAA. Particular organisations across the network are thanked for their one-off contributions for specific projects. Eddy stresses the importance of formalising these funding arrangements – because at the moment it's often based on the relationships between each organisation's CEO and the FAA office, with no contingency plan for dealing with the changes brought by staff turnover. Discussion revolves around developing a transparent funding formula, so that what each organisation and state pays to FAA is fair and equitable. However, it becomes difficult to have everyone agree on this formula's implementation. For example there is disagreement about what is included in the organisation or state/territory turnover, which then forms the basis on which the percentage levy is calculated and how to allow scope for flexibility if it's required.
>
> The chair encourages the group to consider the proposed budget, focusing on what the network wants FAA to do. The discussion revolves around two budget options, prepared by a sub-committee, both of which aim to increase FAA staffing to seven people. The committee argue that seven staff are required in order for FAA to work effectively. The counter argument questions how such a decision can be made without agreeing first on the costing for it: the scope of the work is determined by what we can afford. The discussion becomes circular – what can be afforded is determined, at least in part, by what will be achieved with the funding. Eddy summarises: "if the funding is *X* then the capacity for us to cover stuff is *Y*. If the funding is more, then we can cover more issues. The issue *is* to decide on how much do we believe we need to invest if we wish to have a national presence."
>
> A committee member responds: "What we need to begin with is saying, 'where is our ideal position?' and the next job is to say 'how do we get there?' I want to develop a vision about where we want to be, but I don't want to be locked in to that if we can't raise the funds. I don't want to go back to my organisation with them accusing me of bringing too heavy a bill down upon them. Can we have a document that says more about linking outcomes to the resourcing, so if we want seven people in the office then the outcomes will be X?"
>
> A second committee member contributes: "Are there other ways of achieving these outcomes without just handing the money out? If some of our organisations have research and development funds, then they can contribute in other ways. The quantum of expansion is not incongruent with the pain of funding more money to FAA."
>
> Eddy responds: "This is about the church seeing the work of its agencies as being within it, and the expansion of its service as part of the expansion of the church.

It's part of a broader issue about the church in community." However, there is a strong objection to this comment from one committee member: "It's more about the capacity to resource the work." The CEO of a large organisation states: "Its' not actually that much money, $15,000 in a $35m annual budget is not that hard to find, it's not that out of the question." The objector replies: "It's never been an issue of the amount for us, it's about the equality of the contribution with everyone else."

A previously silent committee member speaks up with great passion: "This debate is the about the dollars and about the marginal increasing of funding... but let's step back from that. Drive around the streets of Canberra, it's filled with lobby groups that I assume are all funded by levies of their members. Why should this industry and the Faith Church more generally not be looking to make their mark and influence government? How you benchmark our level of resourcing with those industry associations I have no idea, and I have no idea about the other churches. But we should be concerned about the notion that FAA do not have adequate resourcing to influence government in the way that great swags of other Australian groups do..."

She continues: "The question is about where you put the ambulance, do you put it at the top of the cliff or at the door of the hospital? The work of FAA is about changing the quality of life for people *before* they come to your door. The decision isn't about whether we increase the staffing by three, it's about will the community benefit from that? It's hard to take money out of direct service delivery into advocacy work... it is ideal to have a meaty national advocacy office... There are issues that are needing debate like equity, but that's not our debate right now. Our debate is: do we need to advocate for people in the community who are doing it hard? Do we need to increase the funding for FAA? I believe the answer is yes."

The discussion continues, with one committee member pointing out that the debate is "not as straightforward as that, our organisations already makes significant contributions to a number of advocacy organisations, and we have a long history of supporting these advocacy bodies more than we have supported FAA since its establishment in the 1990s... And how do we cope with the dominance of FAA's work in one particular sector, when there are other issues for other service user groups that we want addressed?" Indeed, the organisations represented by those around the table are all members of a variety of peaks and advocacy groups.

Time is passing, and the Chair is seeking to bring the discussion to an end. Eddy makes a concluding remark: "If this is climbing Mt Everest, and we get to Base Camp 2 and the weather closes in, and we can't get to the peak, are we happy with staying at Base Camp 2?" All in all, there seems to be agreement amongst the committee to increase the funding for FAA. However, there is no agreement about for what or by how much. The chair refers the issue to further discussion in another committee.

Fieldwork Notes

This narrative is an example of the dynamic and contended definition of FAA as an organisation – what it is supposed to achieve and how it is supposed to achieve it. The intertwined nature of organisational capacity and organisational performance are highlighted in this circular discussion of funding and outcomes. The difficulties in measuring outcomes that demonstrate a "national presence" exacerbate the difficulties in linking performance and capacity – again reflecting the ambiguous goals and technologies raised in 8.2 and demonstrating the institutional nature of FAA's context. Despite the ambiguity, however, the link between capacity and performance is still strong and organisational capacity and competence are clearly an important aspect of determining NPO response.

Organisational values

Underpinning the function and overarching goals of the NPO were its collectively shared values. Indeed, the literature suggests that the values base of NPOs is not only a key defining ingredient of the sector, but pivotally influences the relationship with government (Billis & Glennerster, 1998; Nevile, 2009). This values-based aspect of the organisation was very strong across each site, as is highlighted below, in Eddy's response to my question about the role of FAA – "is it a peak for providers, users or the church?"

> *"We don't even... it's even...* [pause] *I don't know if I can express it... it's an even more subtle distinction than that... we are – and this is my very strong view, and that's what I brought to the role – we are the Faith Church at mission... you would've seen in our foundational documents, in our strategic directions...* our catch cry *down the bottom* of all of those... *says "the vision and values of the Faith Church in Australia, the expertise of our service providers and the experience of our service users" and it's all those things coming together... I think of it as a three-legged stool... and the theological imperative behind all of that is God's preferential option for the poor... the key thing I think about God's preferential option for the poor is not that God loves people who are poor or dispossessed or marginalised more than*

> *someone like me, for example, who's very optioned-up, but it's saying that God has a preference for us acting first in favour of those people, so it's not about concern, it's about action, it's an imperative to act, and that's why the Faith Church has a very large investment in community services, it comes out of that kind of theological space* which is captured in one of our foundational documents... *I absolutely love that, so everyone here knows that 'cos I make everyone here read it and tattoo it to the inside of their eyeballs, I reckon it's alive... so in our advocacy work I think I would say that we try to do it with our service users, and with the people who provide the services, in the light of the vision and values of the Faith Church... we're all trying to be part of a movement that's actually about social transformation."*
>
> *Eddy, FAA*

These values without the faith-based element, were operationalised by Gail:

> *"This morning when we were talking to Bob Brown, we did say that we're not advocating for services, we're here about disadvantaged ageing Australians* so *in terms of this* new initiative, *it makes it very hard for us to offer services in our community who are more disadvantaged because this* initiative *does* x, y and z... *we're very clear, in terms of arguing for the well being of the* one *industry* or *another, that's the peak bodies'... role, we're not there to argue for* services *as a service per se, we're there to argue for* a service *that's inclusive and that's accessible that's quality ... and I always been clear on that and that's another reason I feel... very comfortable with FAA because we're quite clear on that."*
>
> *Gail, FAA*

In each of the NPOs in this study, I had the impression that this subscription to a values base broadly described as social justice was strongly shared across all employees of each organisation. For example, in any conversation with an employee of Robwood, it was not unusual for them to casually refer to value-laden statements such as "we're a strengths-based organisation". Posters describing Robwood's philosophy of practice were on the walls of most offices. At FAA, so in tune did their values base appear that sometimes it seemed to me the three executive women thought with the one mind. Even Kelly described her board as "sold" on her style of professional practice and the underpinning values on which it

was based (6.1). Not only were the values bases important, but they were deeply embedded not just in the leaders, but also across each NPO.

The values base of each organisation could be seen to influence the response of the organisations in a variety of ways. For example, values were often accompanied by a particular vernacular or set of terms. Kaye and Julie saw the importance of this as they prepared "scripts" for describing aspects of Robwood's lobbying work (6.3). At times, the terms and words used in this vernacular could come into conflict with similar terms and words used by governments. This is demonstrated in the narrative about Kelly and the PBI status acquiescence where so much of the workshop is about defining the terms of compliance (5.2). Another example from the PCC also demonstrates:

> Soon after the minister had come to visit the PCC, when all the visitors had left, and it was only the PCC staff and management committee people remaining, they were reflecting on the conversations that had occurred. Kelly made the comment "don't let them take the language and claim it and define it". I had found that an interesting comment in the context, because, during the minister's visit Kelly had used the terms primary, secondary and tertiary interventions. I immediately made assumptions about what these terms meant based on my health professional background. However, I soon realised that *my* interpretation of these terms was not the same as Kelly's interpretation of these terms, and that they had a completely different meaning in this sector. I wondered how often people used the same words but meant completely different things.
>
> *Fieldwork Notes.*

While it is difficult to see specific or causal links between an issue such as conflicting languages and terms with particular organisational responses, it is clear to see how they heightened frustration for the participants in this study as they related to government. Such frustration is illustrated above (in 8.2) where the two young

social workers are finding it challenging to mould their language to synchronise with government language.

Fundamentally, the influence of the values base could be seen in the way leaders in each organisation understood what was the role of government, and of NPOs, and how these sectors should work together. As Gail mentions, above:

> *"My view has always been that we're working for the same problem, you've got your tools, so let's take our tools together and see what could be useful..."*
>
> *Gail, FAA*

For example, in Robwood's EOI narrative, Ronan is clear about the differences between his and government's roles and responsibilities in the implementation journey.

> I mention how "it's a bind – that government can't afford all the things that Robwood wants to provide", and I suggest that "perhaps it's fair enough they ask Robwood to decrease its costs."
>
> Ronan replies "well, that's their problem..."
>
> ...[Ronan later goes on to express to the minister's adviser]: *"Our position on this is that while we appreciate there may be less funds available to* the department *than would adequately service all children and young people in care at the levels we propose – the solution is not to do many things badly vs some things really well."*
>
> *Ronan, Robwood*

Kelly and the PCC were the only organisation of the three in which I spent time, who acknowledged openly that a fundamental feature of their values base was that it was *explicitly critical* of government.

> *"It's this idea that from a strengths perspective and the professional perspective we have, we're almost anti-government funding, and anti-external resources, it's about the community doing it for themselves. And so it feels quite counter... to my approach to always be cap-in-handing."*
>
> *Kelly, PCC*

Values such as these clearly have an impact on organisational responses and actions. It would seem intuitive to simply link critical values with a resistant approach, and perhaps, to a certain extent this could be true. However, to do so does not acknowledge the subtleties and nuance of the relationship, after all, each NPO demonstrated a range of responses to government pressures. Doing so also neglects the capacity of qualitative, ethnographic, "deep" analysis to produce findings which reveal and illuminate processes, rather than just produce lengthy lists of potential variables for quantitative testing. Therefore, while I acknowledge this finding as important, it is not the position at which my analysis stops and rests. Instead, findings such as the importance of values feed the final cumulative analysis presented in Chapter 9.

Overarching organisational goals and values

Throughout Chapters 5, 6 and 7, the importance of the organisation's *overarching* goal has been reiterated time and time again. FAA's overarching goal of "access" greatly influenced their organisational response of acquiescence in the narrative described in Chapter 5 (5.2). Again, goals *"about exposure"* influenced the way FAA organised and conducted their activities as they lobbied government during their parliamentary forum (see 6.3). Robwood's overarching goal to "stay in the tent" was the key to its ongoing engagement and compromise in the EOI narrative (see

5.3). In the PCC's *Structural Changes at Doberon* narrative (in 6.1), for example, an implicit overarching organisational goal was to wind-down the program in Doberon because of the changed demographic need. This possibly feeds Kelly's response of avoidance, when in other circumstances she agitated strongly for continuation of funding where need was ongoing (see 6.3 manipulation, the visit to the minister).

In part, I believe this finding, that overarching goals are important, is attributable to the nature of Oliver's framework. While Oliver describes acquiescence, compromise, avoidance, defiance and manipulation as "strategic responses", I would suggest instead that these are *processes* or *tactics* by which the NPOs in this study worked towards higher-level strategic responses. For example, acquiescence was a *process* or *tactic* by which FAA met its overarching goal for access in response to a government announcement (see 5.2). Compromise was a process or tactic by which Robwood met its overarching goal to "stay in the tent" during their EOI negotiation (see 5.3). Avoidance through exit was a process or tactic by which the PCC met its overarching goal to address its interpretation of community need (see 6.1). Defiance was the process or tactic used by both FAA and the PCC to maintain organisational integrity and conduct their work in a way they felt was palatable and appropriate (in 6.2). Indeed, the strength of the overarching goal often pulled the NPOs response far from where Oliver's predictions suggested it might have been.

8.4 People matter – the *personal* aspect

Just as features of the context and organisation mattered in influencing the NPO responses in this study, so too did the *people* involved. Oliver identifies

constituents as an important antecedent in explaining organisational response, however the experiences of the participants in this study suggest that many more aspects of the constituents were important than just multiplicity and dependence. Indeed, an aspect of constituents captured in my research, but not highlighted in Oliver's framework, is the *personal* aspect of constituent – *people mattered* to the participants in this study, both the people in government and the NPO. This is not a surprising finding for an ethnographic study, in which people are the focus. However, what is interesting is *how* people were important in determining the actions and responses of the NPOs in this study.

The people in government

As has been found elsewhere (Baulderstone, 2008; Brown & Ryan, 2003; Rhodes, 2002), the responses of the participants in this study were affected by their dealings with the *people* in government with whom they dealt on a day-to-day basis – by how they experienced government in the personal relationships with government workers and representatives. Aspects of importance to the experiences of the participants in this study included who was the departmental contact officer, at what level in the department were they, what was their shared history with the NPO leader and what was their level of competence? For example, Ronan found the EOI negotiation particularly frustrating because he kept on dealing with people in the department who in his opinion, firstly, were too low in rank to have any real delegated authority and, secondly, had no experience in running a service. This experience undermined his trust in the negotiation process and raised his agitation,

leading to a greater inclination to resist. In this way, the "who" factor is the personal experience of *history* described above (in 8.2).

Undermined trust from damaged personal experiences with government workers who are not aware of what service delivery is like "on the ground" is a theme reflected also in the following comments from Eddy and Gail:

> *"They had impeccable modellers doing fabulous financial modelling and it was all fantastic, but they were not connecting with what was actually happening in the delivery, or for the recipients of services on the ground."*
>
> *Eddy, FAA*

> *"You'd see policies come out that were going to address parents support needs for children with disabilities over the internet – well, we didn't even have the internet in some towns, not broad band, not big enough to pick up the pages they would put up. They'd spend millions of dollars putting up a glossy page, not realising that this wasn't going to be able to be picked up by people who didn't have broad band, who couldn't afford it or were in a rural town, so I think there is a genuine non-understanding of what life in parts of Australia, be it geographical, income level, race, gender, ethnicity, whatever, I think there is a genuine non-understanding."*
>
> *Gail, FAA*

Another good example of the influence of the "who" factor was Kelly's experience with the "*new world order*" departmental officer in Chapter 4 (see 4.3). This narrative demonstrates the impact of the new departmental officer's changed approach on Kelly's relationship with government. Kelly's preparation for the meeting was in accordance with her understanding of unspoken norms and rules of acquiescence. Yet, unbeknownst to Kelly, these rules had changed with the commencement of this "*dot-the-i, cross-the-t sort of person*". For example, without being told, Kelly was supposed to have ensured that there was a board member present at the accountability meeting. While Kelly was sceptical if the new regime of thoroughness would last, "*given in the past they've said they'll do things and they*

don't do them", she was clear to note that *"I've got to get to know this new player and give them what they want".*

Here, Kelly's desire to acquiesce had not changed, however the process by which she acquiesced had. In doing so, Kelly also acknowledged that acquiescence with departmental processes can be as much about complying with the requests of the individual officer as they are about complying with any specific legalistic requirement. While Kelly's experience in that particular instance remained one of acquiescence, considering her experiences with other "in-the-box" bureaucrats were part of resistant narratives in Chapter 6 (in 6.1 and 6.2). I wonder if, or under what conditions, an "in-the-box" bureaucrat stops featuring in narratives of acquiescence and starts playing a role in narratives of resistance.

The importance of the people in government was a theme with echoes throughout each case – reinforcing that after all, bureaucrats "are people too" (Lea, 2008). For Kaye at Robwood, she had high hopes when the head of one department changed and she was no longer dealing solely with "dried out little bureaucrats" whom she had known for decades. The change of a minister with whom the women at FAA had been dealing extensively was experienced as a blow to the office as they contemplated the hard work involved in establishing personal relationships with this minister and the minister's staff. Clearly the constituents aren't blank-faced institutional players, but real life workers with an impact – to some degree at least – on the participant and their organisation's choice of tactics.

While the importance of this personal experience of "who" is clear, it is less clear *how* it influences the choice of tactics for the organisation. For example, as mentioned above for Kelly, her experience with a rule-bound bureaucrat was part of a narrative of acquiescence, while another experience with a similar bureaucrat directly contributed to a response of avoidance (see 6.1) and another still led to defiance (see 6.2). The new department head did not change Robwood's eventual need to compromise on their suggested price per unit, whereas the perceived lack of competence in departmental staff led to frustration and bouts of resistance along the way. So, perhaps this factor did *not* change the *eventual* tactic used. Nevertheless, it was *experienced* as important by the participants in this study. Its role and importance highlight the perceived role of *agency* in the involvement of NPOs in social policy implementation.

The NPO leaders

The NPO leaders in this study demonstrated that they often take a proactive stance in their engagement with government actors. They are not always the passive recipients or conduits of government-designed policy. They have shown here how they make active and tactical choices, even in terms of deciding whether and how to respond as they manage their relationships with governments. For example, the seemingly straightforward and passive compliance or acquiescence tactics were shown to be potentially far more active, complex and dynamic processes.

My observations of the three NPO leaders also show how, of their own accord, they *initiate* activity relating to the implementation journey. Leaders played a role in

deciding *which* norm-set their organisation would adhere to, crucially so in instances where this was ambiguous and not self-evident. Even more fundamentally than decisions about *how* to act, this study has also demonstrated the space for NPO decisions about whether or not *to* act. This is not to say leaders and their NPOs in this study were completely free agents. I also observed numerous instances in which NPO leaders took their clues from others, such as their governance boards or their own management teams.

Still, much of the day-to-day decision making about NPO actions and responses to government pressures for the NPOs in this study did appear to be largely at the discretion and judgement of the leader. It was up to the leader to be responsible for *interpreting the circumstances to which they were leading an organisational response*. The constellation of environmental, organisational and individual forces did not necessarily trigger a formulaic and automatic response pattern for the NPO. Instead, just as the street level bureaucrat exercises discretion in applying the rules of social policy implementation (Hupe & Hill, 2007; Lipsky, 1980; Maynard-Moody & Musheno, 2003), the leaders in this study *actively interpreted* each circumstance, by determining *if, to what extent,* and *which* issues were deemed to be relevant in any one circumstance.

For example, the leader made the judgement call that an inconsistency between organisational goals and institutional norms would over-ride the importance of economic gain, or when the low level of norm-diffusion would not stop a response of acquiesce. It was the decision making and circumstance interpreting that formed a core aspect of *how* the leaders in this study made a difference in determining

NPO behaviour and involvement in social policy implementation. Other aspects informing this process were the leader's capacity, competence, style and values.

Capacity and competence

As with the findings above, *capacity* and *skill* of the *individual,* not just the organisation, were also important:

> *"I feel like I have to be a lawyer and a tax officer, have a business degree."*
>
> *Kelly, PCC*

A central feature of *skill* for the participants in this study was the ability to intimately understand government processes, in order to shape NPO actions and responses that were informed by this knowledge. This is seen in Kelly's simple statement *"I've got to get to know this new player and give them what they want"* (4.3). It underpinned the "intelligence" sharing at Robwood's monthly advocacy meeting (6.3) and Kaye's instruction to "find the hollow men (or women)" – those people within the machinery of government who were in positions of influence. It was a crucial skill for the women at FAA, all of whom had put a lot of effort – over the span of their careers as well as on a day-to-day level – into understanding government processes:

> *"I can be more effective in terms of working in partnership with people in government. 'Cos I understand... better what they need to achieve at the end of the day... we need some more bridges between* the government and non-government sectors *which I think is more people working between each one... My view has always been that we're working for the same problem, you've got your tools, so let's take our tools together and see what could be useful... the community sector falls down because it doesn't understand the machinery of government sometimes... the community services are much more flexible, much more fluid, much less authoritarian, so before I went in to the public sector I might not understand that talking to you if you're a level six or an EL1 might piss off somebody else, y'know, you just don't have that sense, it's a cultural difference..."*

> *"I made a conscious choice to apply for government... I wanted to see how the mechanisms of government worked... with a view that I would always come back to the community sector and that would be very valuable information for me to have, for the community sector, but also for government to have... that people out in the community sector have that understanding, 'cos I found when I understand what the public servants have to do, I'm able, much more able to be much more tolerant than some of my colleagues are, and to understand what kind of advice they need to give their ministers so that I can feed into that, much better than I could before."*
>
> *Gail, FAA*

Kelly also saw the importance of understanding government processes, which fed her approach to preparing the social policy submission. However, having never worked "in government", her knowledge was limited, as demonstrated in her surprise at hearing how early submissions for consideration in the following year's budget needed to be made and how the merit of her submission would be compared with other government priorities like education, agriculture, roads and health.

Understanding how government operated was not just important for organisations wanting to lobby, but even just to acquiesce.

> "I had an experience recently where we did not win some tenders that we thought we were guaranteed to win. I was discussing this with a consultant we've brought in to help write some tenders that are coming up, *and we talked about it and she said something... very interesting, I said 'I don't understand how I could lose that tender – I particularly don't understand how I lost the tender and* this other organisation *won it, given they've never worked... in this area and they don't have any runs on the board blah, blah, blah. And we know we can write good tenders, 'cos we've never worked in* this other area, yet... *we won that.* And *I had some feedback* from government *which* was really annoying *which was 'we knew you had the experience blah, blah, blah, but you didn't tell us how you would* do this particular part of service delivery precisely enough...' *Now* our organisation *brought* this style of service delivery to the country *25 years ago...* we are a leader in this style of service delivery. Of course we'd do this aspect of it, we just didn't write it in a way that government could see it completely plainly – we made unstated assumptions."

> *"So I told that experience... and she said... very strange things are happening at the state and federal level* in government, *and I forget how she described it, but I call it the Ernst and Young-isation of tenders. So, so worried are they about probity, they have a tick-a-box approach,* and so because our tender did not specifically and explicitly address every feature of service delivery they expected... *even though they loved* our *experience and innovation, we didn't actually structure it around those things* expected by government..."
>
> "So now, *it's much more 'and then we will do this and then we'll do that...' and so on.* So *even if we don't win* this upcoming tender, *I think that was a huge lesson.* Our upcoming tender is *a stunning tender... but I think it's very precise... Yeah, so I'm selling my soul a bit."*
>
> *Monty, Robwood*

This experience reflects the acute importance of interpreting what the institutional pressures are if you want to comply with them. It suggests there are spaces in which ambiguous technologies and goals *can* be contested, and other spaces where perhaps they cannot. Perhaps one of the reasons it is important for the NPO leader to be familiar with the ways of government is to know the difference. After all, merely understanding how government operated was not a guarantee of compliance. More than half of Robwood's senior executives had high level experience working in government, and yet I saw no evidence that this then made them more inclined to acquiesce. Indeed, for Ronan, his high level of skill in costing a holistic and high quality service and his intimate knowledge of government processes did *not* lead him to a path of greater compliance. So, again, while the data in this study suggests that the leader's competence influences NPO behaviour, it is not initially straightforward to see how.

The leader's style

An important pervasive explanatory theme to rise from the data was the significance of the leader's style. Certainly, while leadership is still only an emerging sub-set of third sector research, as acknowledged in Chapter 2, it is a rich and distinct field of literature in its own right. It is tempting here to apply any one of multiple theories of leadership to the experience of the leaders in this study and use them as an explanation for NPO action here. However, I am reluctant to do so for two key reasons. Firstly, because while I have observed the participants in this study, leaders in their organisations, I did *not* actively pursue comprehensive data collection during fieldwork on the "ingredients" of leadership, such as leader beliefs, motivations, reactions to stress, backgrounds or their relationships with followers (Hermann, 1986, p.187). Instead, by observing the NPO leaders in their day-to-day work, I have discovered the importance of their leadership as a crucial way in which agency flows through what is otherwise a contingent grid of structural explanations.

Secondly, as pointed out above (in 8.3), this finding of the importance of leader behaviour and style itself feeds further analysis presented in Chapter 9, rather than being a final conclusion in itself. It is therefore remiss to not to acknowledge the importance of leadership as it does play a pivotal role in demonstrating the role of agency, pointing to the way the participants in this study understood and interpreted their circumstances. Despite the lack of comprehensive data collection specifically about elements and aspects of leadership itself, I *did* make extensive

observations of each leader's *behaviour* which are certainly useful to describe and discuss here (Hermann, 1986).

As described in Chapter 4, each leader in this study had a different style of operating. The leaders themselves certainly believed their style brought a trademark approach to the organisation.

> *"PCC has always played a little bit of a leadership role in the sector, dunno why, but it always has, even before me...* the coordinator there before me, *we're cut from the same cloth, we're both a bit go-getterish type people."*
>
> *Kelly, PCC*

> *"This is my very strong view, and that's what I brought to the role..."*
>
> *Eddy, Faith Aid*

> *"Kaye is a very smart operator, politically and strategically. She loves to play at that* high *level... she talks about how you've just got to carefully choose the battles you can win and forget about the ones you know you can't win."*
>
> *Ronan, Robwood*

It is tempting to draw a simple link between leadership style and organisational response – that leaders with assertive styles were more inclined to resist government than leaders with non-confrontational styles – after all, this may be true. Kelly and the PCC's general attitude towards government did appear to incline the organisation towards resistance. It seemed that her attitude naturally disposed her to leading the PCC to *not* blindly accept advice or direction from government and to establish a baseline in which the organisation was inclined to see legitimacy as much more important than economic gain. However, this was only in some aspects of its work. Eddy's leadership style, involving her devotion to her faith base and *"what we believe it is to be human"* clearly heightened the

importance for her and FAA of the consistency between organisational goals and institutional norms (in 6.2). Her ambition for the Faith Church to have a strong voice and a "national presence" in the Australian social policy debate also drew her to goals which focused on increasing the profile and access of the organisation to government.

Ronan's leadership style and personality led him to interpret certain processes as fixed that others saw as fluid, such as was seen in his astonishment at being offered the opportunity to negotiate an EOI that was not *on the list*. The impact of leader style is illustrated neatly in the Robwood experience, where it was possible to see similarities and differences in different leaders' styles within the one organisation. Consider the EOI negotiation narrative in Chapter 5 (5.3). The difference between Ronan and Kaye's leadership style is particularly apparent when Kaye drafts a letter to the department with wording that Ronan feels is a bit too *"assertive"*. Here, Ronan's cautious and pragmatic leadership style balances out Kaye's defiant and confrontational style.

Having the unexpected opportunity at Robwood to briefly observe and talk with Monty, the acting CEO, filling in for Kaye while she was on holidays, demonstrated some particularly enlightening features of the role of leadership, suggesting there is more to the relationship between leadership style and organisational outcomes.

> *"We think we run* a particular *program better than anyone in Australia, possibly in the world... but that's not... what our conversation* with government *is like...* We don't say 'we know best so we'll dictate what we will do'. *I think too that... I don't have a get-out-of-jail card like* Robwood's financial *reserves, so, in the end, I've got to make something work. Whereas when* Robwood *knows their program is better, they might be able to underpin the funding that they have with some of their own*

> *money... I do think it gives you greater flexibility to have money to say 'no'...* Instead *I do lots of 'yes, ands...' and I'm more sneaky* [laughs]."
>
> *"I go to government and I work out what they want to do, and then I might come back and say 'and this is how we're going to do it...'* So, what I think is important when *working the government, you try to help them shape the keyhole rather than find the key. So... you try to solve their problem and then you tell them 'and this is the way to best way to solve it'. Then they might come back and say oh, we want this and this, so you go, 'ok well I can do that, what if we do that* other thing as well', *and that's when the relationship and the negotiation starts."*
>
> *Monty, Robwood*

Here, it is tempting to draw a straightforward link between Monty's "sneaky" style and the organisational response of compromise. However, this quotation is particularly useful to see how Monty compares his style with what he sees as the typical modus operandi at Robwood. Monty is clearly very confident in the organisation's *capacity* and *competence*, however his confidence does not translate into an attitude of "we know best" when negotiating social policy implementation with government. This is partly because, "*in the end, I've got to make something work*". In other words, Monty's leadership is contingent on the capacity and resources of his part of the NPO. These contingent limitations drive Monty to seeking compromise. However *he also chooses to respond to these circumstances by setting a goal about "shaping the keyhole"*, the parameters of social policy implementation. In this way, the role of his leadership was also important in determining *what were* the overarching goals of the organisation and how it will respond to its circumstances. Leader behaviour was the manifestation of agency, as leaders interpreted their circumstances and responses.

8.5 Conclusion

This chapter has presented a range of findings outside the Oliver framework that were important in determining and influencing the responses of the NPOs in this study to the pressures from government. Through using the Oliver framework as a heuristic to assist in data analysis a range of additional themes arose. It has been useful in this chapter to explore these themes, revealing otherwise buried layers of explanation and developing an ever-deepening understanding of the role of the NPOs in the process of social policy implementation. These themes are brought together and applied next in Chapter 9. It is also important to note that there were themes raised in the literature and discussed in Chapter 2 that did *not* appear to play a pervasive role in the experiences of the participants in this study. Two themes particularly of note include the role of the board or governance committee and the type of work that was being conducted.

Across each field site, each NPO's board, governance or management committee was involved in overseeing the work of the NPO, was made aware of the relationships between the NPO and government by the participants, and was occasionally or peripherally involved in the NPO's relationship with government. Sometimes this board involvement was as a strategic buffer between the NPO and government. For example, during the EOI negotiation (in 5.3), when Kaye sent her ultimatum letter to the department, she requested that if the department no longer wished Robwood to be a service provider in that field, it should write to the chair of the board stating so. The role of the governance committee in determining the work of FAA was also described above (in 8.3). Kelly acknowledges the

importance of the board being "sold" on her style of practice when engaging in resistant tactics (in 6.1). However, while the role of the governance committee was an important background feature at each field site, I did not perceive or interpret it as being a central theme in the participants' experiences of managing their relationships with government.

The *type* of work being conducted – delivery or advocacy, or work with different target groups (children, people with disabilities, people who are ageing) – also did not arise as a particularly pertinent issue *in terms of the content of the work*. However, it *did* arise in terms of the condition of the sector and the issue of ambiguous goals and technologies (both already discussed). For example, as described above in "context matters" (8.2), the desperate and conflict-ridden nature of the sector in which Robwood operated led to practices and responses that might have been interpreted as more extreme or adversarial in other sectors. The *type* of work also made a difference in terms of the "exact science" and socially defined nature of the delivery benchmarks and expectations. As described in Chapter 5 (5.3) during Robwood's EOI negotiation, I pondered the extent to which such a negotiation might have been different if the "price per unit" of service delivery was more rigidly set.

Overall, the findings presented in this chapter indicate that to explain the responses of non-profits in the human and community services sector to government pressures it is important to look not just at characteristics of those pressures or to seek explanations though structural factors. These reflections speak to what I believe is an over-reliance on structural explanations to predict and explain the

relationships between governments and non-profits more generally in the literature. The findings of this study support claims that "to understand or explain any action, the analyst must take into account not only the objective conditions, but the actor's subjective interpretation of them" (Scott, 2008, p.57). In this way, the findings of this research suggest that within certain limitations, NPOs "seem to be managing their environment rather than allowing it to dictate what their strategic choices should be" (Akingbola, 2006, p.278). Chapter 9 seeks to explore further a pivotal theme around which the NPOs in this study sought to manage their environment – that they were *not just a tool* of government.

CHAPTER 9

NOT JUST A TOOL: THE AGENCY AND AUTONOMY OF NPOs IN SOCIAL POLICY IMPLEMENTATION

9.1 Introduction

Exploring, in depth, the day-to-day experiences of three NPOs involved in the process of social policy implementation, in response to the question "how do NPO leaders understand and manage their relationships with governments in the process of social policy implementation?" has illuminated a range of insights into the nexus between governments and NPOs. This final chapter consolidates the empirical findings of this study and initiates discussion about the implications of these findings. I highlight the diverse ways in which NPOs and their leaders experience the social policy implementation relationship with governments. I briefly revisit each field site, demonstrating the key finding of this thesis – that it is theoretically informative to view the NPOs involved in this study from the Selznickian (1957) perspective of organisations *as* institutions (values-infused organisations) – or aspiring to be institutions. I describe the important role of the leaders in operationalising the values-infused aspect of the NPO on its function, involvement with social policy implementation and its responses to the relationship with government. Theoretical and normative implications are briefly explored. I also initiate discussions about practice and research implications.

9.2 The actors

From its outset, this research has been driven by an "itch" to investigate the nexus between NPOs and governments involved in the process of social policy implementation. I have held a conviction that this nexus holds critical, yet under-explored, pieces to the puzzle of social policy development and implementation. It is therefore not unsurprising that a key finding of this study has been that the nexus does, indeed, prove itself as an interesting space in the implementation process. While the nexus between NPOs and governments is a blind spot for much of the implementation literature, some research (especially in the third sector field) acknowledges or hints at the creativity found in this space, between the state and non-state actors (Benjamin, 2008; Ebrahim, 2002; Provan et al., 2004). This study has provided valuable detailed insight into what *can* and sometimes *does occur* in this space and reinforces the need not only for objectivist research that focuses on structural explanations, but also subjectivist, actor-centred accounts.

In this study, I have conducted ethnographic research that focuses on individual leaders of three NPOs. It is again, therefore, not surprising that this empirical work strongly suggests the pivotal role of agency in the involvement of NPOs in social policy implementation. Again, however, it is a useful contribution to both the third sector and implementation literature which tends to focus on aggregate explanations of the relationship, by uncovering how NPO leaders *experience* and *understand* their relationship with government in a *variety* of ways. It is their mental constructions of the relationship and its exigencies and norms that plays a crucial role in shaping the behaviours vis a vis government actors. It is also the way

in which NPO leaders are both influenced by, as well as seek to influence their circumstances, that the role of agency has been seen in the findings of this research. It is impossible to consider the NPOs as holistic organisational actors, as Oliver and much of the third sector literature do, without drilling down to how the people within the NPO lead the work.

For example, combining the importance of the nexus between government and NPOs with the importance of agency in this process has been seen in a variety of experiences described in Chapters 4 to 8. Receiving implementation instruction from governments, departments and departmental officers – what might be assumed as a predictable, consistent and clear experience – has been shown to be, from time to time and from the perspective of the participants in this study, ambiguous, contestable and full of change. Acquiescence can be about seeking to comply as much with the written and official expectations of the department as it is about meeting the needs of specific personalities within the department. Standard operating procedures sometimes appear irrelevant or inappropriate, and the experience of government processes for the participants in this study may involve unexpected and unanticipated pathways.

As mentioned in Chapter 8, the NPO leaders in this study played a key role in determining NPO involvement in social policy implementation. They did this by interpreting the NPO's circumstances and response options, and in the process by making judgments about which (if any) norms should be activated and how important they were. An important aspect of this was in deciding the norms to which their organisation would adhere. Just as is described in the institutional

theory literature (Boin & Christensen, 2008; March & Olsen, 2006; Scott, 2008), in a world of contested legitimacy, the leader played an important role in determining what the NPO's version of legitimate practices would be. This manifest in myriad ways – some of which fall into the traditional understanding of NPO policy development through lobbying and advocacy, and some in less obvious ways, such as determining the *meaning* of compliance and resistance in the day-to-day work of the NPO.

9.3 The processes

While the findings (that the role of agency and the nexus between NPOs and governments are important) are not surprising considering the methods and approach of the research underpinning this thesis, the pivotal unique finding of this thesis is *how* these features are important. An essential observation from this study concerns the extent to which the leader viewed their NPO not as an *instrument* of government social policy or a conduit of government intents, but instead as (or aspiring to be) an organisation infused with value, an institution. It was through this lens that the leader made decisions about the role and response of the NPO.

As described in Chapter 2, Selznick distinguishes between organisations which are "an expendable tool" and those which are "infuse[d] with value beyond the technical requirements of the task at hand" (Selznick, 1957, p.17), defining the latter as institutions. The following two contrasting views provide a clear example of how applying the logics of the *organisation as an institution* versus the

organisation as an instrument imply different behavioural imperatives for NPO leaders.

> *"So the lesson for me out of all of this is that's where you have to have your vision of what you want your work to do... these organisations that you come across where they just keep changing depending on what the funding is that's coming up. I think that's such a mistake. It's the principle based stuff. You stick with your values. You stick with your principles. You stick with what you believe you should be doing. And you find funding... I mean there is funding out there... you find funding that meets those objectives first...* funding where *the aims are broad enough that you could put your kind of stamp on it, which is really very good... You don't willy nilly change tact and go wherever to chase the next funding dollar. And I've seen so many organisations do that, and in the end they lose who they are and they wake up one day and they realise 'what are we? We're just a service centre; we're just a service centre that rolls out a million programs.' They've lost their, I dunno, reason to be there..."*
>
> *Kelly, PCC*

Now consider the second view:

> *"I think that by necessity we have become quite compliant and systemised and structured and organised, even though our service delivery on the ground is still innovative and contemporary and creative..."*
>
> *"The tide heads only one way. Everything is heading towards more compliance, the downside is it will tend to favour the large* organisations, *and it will tend to be dominated by compliance instead of outcomes... We are in the business of delivering a service. We are not a grassroots organisation that is here for the benefit of our community,* although *we think that we create great benefit to our local community by delivering services on behalf of whoever is funding it..."*
>
> *"There are a lot of community organisations that take for granted the fact that they get funded. They believe it is a right... they believe they have a right to exist. But we have never adopted that... All the funding we have had has been "deliver an outcome or lose it"... everything we have could be gone in three years. Versus* another type of organisation, *who says we have been here for 100 years and we will be here for another 100 years... Whereas for us... we know that if we don't deliver those outcomes for those target groups for that client, that funding will be gone."*
>
> *Stuart, leader of a non-profit community service organisation located in a neighbouring region to the PCC*

Both of these two quotations above are essentially about organisational funding. As suggested by organisation theory, they both acknowledge one "critical organizational function [as]... the management of dependencies" (Froelich, 1999, p.248). Here, Kelly and Stuart both are describing their approach to managing financial dependencies. Yet, it is remarkable how *different* these approaches are.

Kelly and Stuart are both confident in their organisation as a provider of high quality community services. However, Stuart himself contrasts his and his NPO's approach as framed by a deep assumption that his organisation could be "gone in three years". For Kelly, as though embedded as an unshakeable cognitive norm, such a concept appears virtually unthinkable (Scott, 2008). For Kelly, the PCC is an organisation which is *infused with value beyond the technical requirements of the task.* For Stuart, his organisation is an *expendable tool,* whose comparative advantage is in its efficient and effective supply of target population outcomes for its client purchaser-funders. It is a "mechanistic instrument designed to achieve specified goals" (Scott, 2008, p.21). Both the PCC and Stuart's organisation perform relatively similar functions, but from very different perspectives and with potentially profoundly different implications.

In my fieldwork, the preferred self-identification of the NPO leaders I observed was with the institutional as opposed to the instrumental perspective. The participants in this study fundamentally did not see themselves or their organisations as tools of government even though they did see their relationship with government as indelibly and appropriately intertwined. Their belief in their NPOs *as* institutions was evident in the way they described their organisation, in the way they

conducted their work, in the way they understood their relationship with government and in the way they acted and responded to this relationship with government. The following three quotations are pithy examples of how this belief was displayed.

> *"We are not our government grants. We are here in the community for a purpose."*
>
> *Kelly, PCC*

> *"I'm just thinking about, about identity, and values... And you see, I think when you are a big agency like us, and we do kick against the prick with government funding,* but we also comply with what government funding requires of us, for example, with this one part of our organisation, *it's really strongly controlled by government, with the whole branding issue* and so on, *and we are actually able to say, "that's OK, that's the government contract, that's what we're doing" and so we don't have to kick against that contract, because we've got enough going for us in other places to balance it out. But if that was all we had, and every program was rigid like that, who would we be? We would be the sum of a set of diverse and contradictory government programs."*
>
> *Kaye, Robwood*

> *"I reckon everything comes back to your identity, right, so you come back and you say, "we are the church at mission, we are partnering with the state"... So you can think, Minister, and you can think, Departmental Secretary, and bureaucrats, you can think that you're our life blood but all you give us is money. You don't give us an imperative to do what we do. You don't give us embeddedness in and commitment to our communities. You don't give us thousands of volunteers who work with us because they share our vision of transformed lives and communities.* You need to realise you're not merely purchasing the human services we provide, as you would buy goods at a supermarket, you're investing in us to provide these services, in the communities that we are a part of. You are partnering with us..."
>
> *Eddy, FAA*

I believe the NPO leaders in this study understood and responded to their relationships with government *as existing or aspiring institutions* – in the Selznickian (1957) use of the term, a value-infused organisation. This is demonstrated in a range of ways at each site. Common examples already discussed in Chapter 8 were the way the NPOs engaged with the ambiguous context and the

importance of the history of the relationship between government and the NPO, the NPO's overarching goal and the importance of organisational values.

The finding that the NPOs in this study saw themselves as institutions with an identity beyond that of a tool of government is similar to the findings of Frumkin and Andre-Clark (2000). In their work, these authors distinguished between for-profit welfare-to-work providers with slogans such as "Helping Government Serve the People" and faith based NPOs who are "driven by commitments to justice and charity" (Frumkin & Andre-Clark, 2000, p.151). While this study and others like it have made the link between values and the involvement of NPOs in social policy implementation, the links made are typically focused on empirically proving the relative worth of NPOs, rather than investigating explanatory links through theory. The findings of this study are unique in the way in which these findings are analysed with reference to Selznick (1957) and institutional theory. However, before investigating the implications of this claim I will first demonstrate examples of the way this belief was manifest in each of the NPOs in this study.

Robwood

As a large, established provider of services for nearly 100 years, Robwood was, in many ways, a textbook example of an institutionalised organisation in this study (Boin, 2001; Selznick, 1957). It had a well-recognised branded organisational identity, with a distinct set of values and tag-lines. Within the organisation there was a strong sense of belonging, cohesion and organisational identity amongst the staff.

The importance of being an institution was an obvious feature of Robwood's relationship with and response to government. The notion of being an institution underpinned tactics in which Robwood sought to exert power in the EOI negotiation process (in 5.3). It was demonstrated as Kaye wrote to the department head, citing Robwood's longevity in the sector. Repeated reference to the idea that "no one would be happy to see Robwood exit the field" – in other words that the organisation was *not* an expendable tool – was made by Robwood staff and board members throughout the process of negotiation. However, being an institution also underpinned reasons Robwood decided to ultimately compromise its per unit price – to "stay in the tent", which became the key driving force behind the eventual outcome of the negotiation. The same driving force fed both initial resistance and eventual compromise.But being an institution and having an institutionalised connection to the field of service delivery meant *more* to Robwood than just *staying* connected to the field of service delivery. It influenced *why* Robwood wanted to stay connected. This was because it saw itself as playing a critical role in *shaping* implementation in this field.

> *"While it's tempting to walk away from* the department... *we don't* <u>want</u> *to walk away, it's been part of the agency for a* long time *and we're good at it, and if we're not in it then we can't influence it and that's part of our commitment to getting a system that works for* our clients.*"*
>
> *Kaye, Robwood*

As an institution, Robwood believed it had a legitimate voice and input into the design and delivery of implementation. It has its own agenda of pursuing social justice.

> *"Robwood* really made *its asset base from which you could start generating its own income to start doing things in the community* from the 1980s and 90s. *So that was a fantastic windfall for an organisation that wanted to be proactive and innovative and do things in areas where it thought it could have the greatest impact, you know, and social justice, based on analysis and all that sort of stuff."*
>
> *Ronan, Robwood*

Its status as an institution was the driving force behind the work of its policy branch. Robwood committed significant funding and resources to this type of work as it sought to have a prominent policy voice. In this way the effects of being a value-infused organisation had implications for the way in which Robwood engaged with social policy implementation – not just as a provider, but as an influencer.

The belief that Robwood was an institution also had less obvious, but more fundamental impacts on, for example, their EOI negotiation experience. An important *back-story* to the EOI narrative was the context of "a strategic decision we'd made a couple of years ago to stop co-funding things that were, in our opinion, programs which government should be fully funding" [Ronan]. This then established a set of parameters, which, I believe, subsequently defined how the EOI negotiation occurred. These parameters meant, for example, that when Ronan met with the two middle managers, looking to cut back staff working in this particular program (in 5.3), the problem and its solutions were defined according to these established parameters. Here, the *problem* was that the government had not provided enough funding, and therefore the NPO response to this problem was that Robwood must seek increased funding or cut services in order to fit with the funding provided by government.

The problem in this instance was *not* that Robwood was experiencing diminished returns on its investments and thus was no longer financially able to "prop up" government-funded programs. The problem was also *not* that Robwood had an organisational policy to pay its staff above-award wages, or to provide its executive with expensive cars, as a strategy to attract and retain high quality staff delivering high quality services. The problem was defined as inadequate funding from government, and the response was therefore to resist this inadequate funding by establishing a benchmark for adequate funding and to go about a negotiation process which sought this. In this way, Robwood's influence on the process of social policy implementation was far broader and more pervasive than just via their policy and lobbying activities. It permeated the fundamental assumptions informing their work and relationship with government.

Robwood sought to influence not just the content of implementation but also its relationship with government in process of social policy implementation. During an interview with Kaye, I referred to a newsletter opinion piece she had written some years before which I had dug up while researching her background. In this opinion piece, she refers to the relationship between NPOs and governments as a "game". In the interview, I asked her what this "game" was about. The following is her response:

> *"It's a game about influence, I think, more than anything else.* The context now – *and this is, I think, a relatively new phenomenon – you've now got NGOs, including for profit providers who are not interested in advocacy at all, and don't see their role as advocacy at all and are very comfortable with the concept of just having a contract with government in the same way that a property developer might or something like that.* But *that's not the traditional role of NGOs...* So the game is about *changing the nature* of the relationship... changing the process of contracting so that the relationship is about more than just purchasing services. The game is

> about *maturing* the nature of the relationship because my view of what the relationship should be doesn't match what government thinks the relationship is. *I want a say in the policy debate.* I want to be at the decision making table. As a representative of the third sector, the industry and the service users. We want to mediate the relationship via the contracting relationship. If the government thinks that the relationship is only about the contract, then the contract is the thing you manipulate."
>
> *Kaye, Robwood*

In these ways and more, being a value-infused organisation vitally affected the way that Robwood operated and engaged in the process of social policy implementation.

The PCC

Despite its modest size and history, my research led me to believe the PCC also operated as an institution in the Selznickian sense. Certainly its leader, Kelly talked about the PCC as an institution in terms of its reputation, the way it had a "leadership role" and the way "the community know we're there for them". Indeed, Kelly believes that the PCC's status *as* a community centre automatically lends it a great deal of institutionalised legitimacy.

> *"There are* more than 100 community *centres in* this state... *and although they mainly do work that's not valued by government, everyone knows what the benefits of a community centre are... I could say the same thing if I were a disability service... there is no doubt that these kinds of services have a place and governments would be stupid to back away from funding them... So don't let a big fat bureaucrat sitting in* your state capital *tell you what is quality... you're the expert for your organisation..."*
>
> *Kelly, PCC.*

As is illustrated candidly in this quotation, Kelly's belief in the PCC's status as an institution also influenced her approach to leading it and its relationship with government.

Kelly's passion for preparing the social policy submission was driven by her commitment to the work of NPOs such as the PCC, a passion I believe at least partly derived from her unquestioning belief in the status and importance of the PCC and organisations like it. As described in Chapter 6, the key messages of this submission defend and promote the style of work engaged in by community centres. Niche professional practice defence was an important theme in much of Kelly's work. This then also led to Kelly's resistance when she felt she was being pressured to work in ways that did not correspond with this style of practice – such as in 6.1 when she gave the money "away" and in 6.2 when she defied the government worker.

And yet Kelly and the PCC also acquiesced. The overall narrative of the PCC is not one solely defined by resistance. The curious episode of the PBI self-assessment is an example of the PCC's acquiescence, as is, in part, the narrative of complying with the annual accountability-reporting meeting in Chapter 4 (4.3). Considering the organisation as an institution does not automatically determine an organisational response of recalcitrance. It is interesting to make the anecdotal observation that this narrative of acquiescence occurred in a realm of the PCC's work which Kelly interprets as being highly regulative (concerning its tax status), rather than the ambiguous normative aspects of community work of the functions associated with the cognitively assumed relevance and importance of community centres in general.

While my narrative about this episode demonstrates that, even in the midst of what might otherwise be seen as a highly prescriptive procedure, there is still room for interpretation and subjectivity as the process of acquiescence is dynamically

defined, it *is* still experienced by Kelly as a highly regulative procedure. It is also, perhaps coincidentally or perhaps not, one in which Oliver's constellation of antecedents closely predicts the outcomes. Obviously it is inappropriate to draw conclusions about the strength of Oliver's predictions in highly regulated institutional environments, rather than ambiguous normative or contested cognitive institutional environments, still, the finding that institutional theory is useful for understanding the relationship between NPOs and governments makes many suggestions and has many implications for future research, as described later in this chapter.

FAA

Features of FAA's experience suggested to me that it was an organisation in the process of developing itself as an indispensible, taken-for-granted, well-established and embedded institution. Based on the perspectives, work and prioritisation of the leadership team, FAA appeared to have varying levels of buy-in and legitimacy from within the church, provider and government networks. For example, while FAA had managed to get itself on the "calling list" about a particular type of policy announcement, it had not reached a point where it felt it was being listened to by government in the early and important stages of policy framing. While it received substantial support from the church and provider network, this support was dependent on deals brokered by Eddy. She, and her two senior executives identified closely with the organisation, and aligned their values with the values of the organisation and each other. She understood the work of FAA, and of the

network of providers, as being more than just *"what we do",* instead she considered it to be *"who we are"* (6.2).

It was clear to see that Eddy *aspired* for FAA to be considered an embedded and value-infused institution. She wanted it to have a "national presence". I believe Eddy desired for FAA to have its own identity, advocating for the poor and marginalised, above and beyond the representative needs of just its church and provider network funders. I also believe Eddy wanted FAA's identity to be more than an efficient conduit of information and instruction from government or an effective representative providing legitimacy and buy-in to government announcements. I believe Eddy wanted FAA be grounded in the church and network, and embedded in government – *but a tool of neither.* However, just as "institutionalization is a process" (Selznick, 1957, p.16), FAA, at the time of my fieldwork there, was not yet fully meeting these aspirations.

And so, as suggested by Boin and Christensen (2008), the role of leadership and a great deal of Eddy's work focused on building the status of FAA to that of an indispensible institution. FAA was aligning itself to be indispensible to government – moving it from being on the "calling list" to being on the "speed dial" [Gail]. Eddy did this through concerted efforts at relationship building with government, through demonstrating that the organisation was not focused solely on resisting government but was interested in "solutions" and policy issues. FAA's overarching goals were often about building future "access", and it was only when the content of government policy initiatives became totally untenable that it was resisted.

9.4 Context – implications

Theoretical implications

There are a range of theoretical implications from the findings here for the implementation theory explored in Chapter 2. The finding here of the significance of an NPO involved in social policy implementation as *not just a tool*, suggests an expanded role for institutional theory in understanding the involvement of NPOs in social policy implementation. While elements of institutional theory can be found in both implementation and third sector research, especially those aspects of institutional theory raised by authors such as March and Olsen (March & Olsen, 1984, 1989, 2006) or Meyer and Rowan (Meyer & Rowan, 1977), an expanded application of institutional theory incorporating particular the Selznickian (1957) perspective on institutions could be particularly informative. Also a more detailed analysis of social policy implementation considering the influence of Scott's (2008) three pillars of institutions and implications of the socially defined benchmarks of neo-institutionally described environments could be helpful.

Particularly, however, In looking at the nexus between governments and NPOs involved in social policy, I believe I have found an organisational equivalent to the street level bureaucrat paradigm (Lipsky, 1980). Just as the street level bureaucrat is not a faceless cog at the bottom of a service delivery hierarchy (Hupe & Hill, 2007), so too the NPOs described here are not faceless links in the service delivery chain. The street level bureaucrat paradigm explains the experience of the autonomous individual at the front line of service delivery and is understood through bottom up research (Hill & Hupe, 2009). I believe that the role and

engagement of NPOs in social policy implementation (at the nexus between the NPO and government) can be explained and explored through an expanded use of institutional theory – incorporating particularly a stronger focus on neo-institutionalism, the institutionalised organisation, and the role of institutional leaders or entrepreneurs – and investigated from a "middle-out" perspective. This finding reinforces the notion that "policy implementation may quite legitimately be seen as an adaptive process" (Hill & Hupe, 2003, p.472).

This suggests also an important finding for third sector research – particularly that which is concerned about the democratic implications of NPOs involved in social policy implementation. Traditionally, NPOs are seen as important players involved in social policy implementation because of the inherently democratic features such as their elected boards of governance and because of the "buffer" role they play between governments and citizens (De Tocqueville, 1994/1850). It is seen as the healthy result of a pluralistic society for the extended polity to consist of a range of actors with a range of perspectives (Casey & Dalton, 2006). While I cannot comment on the extent to which NPOs represent either the service users or the community at large, the research presented in this thesis suggests that in addition to this debate, there are also democratic implications of the involvement of NPOs in social policy implementation based on the way social policy is received, interpreted and enacted at an organisational level.

The third sector literature does recognise the inherent importance of "values" for NPOs (Frumkin & Andre-Clark, 2000). However, all too often these values are seen from a particular perspective in which they form the comparative advantage for an

organisational type that otherwise may not be focused on efficiency or effectiveness. Based on the findings of this research, I challenge this assumption and suggest instead that values are not important because they *compensate* for failings in other areas. Instead it is because they embody a normative position which challenges the assumption that government always knows best and that the ideal participation in social policy implementation for NPOs is either as an advocate or a provider. Rather, through implementation, policy is interpreted as it is enacted, not just at the front line, but at an organisational level.

Normative implications

The findings of this research – that there are NPOs involved in social policy implementation who engage in this process as institutions, rather than as tools of government – clearly begs the normative question: *is it a bad idea for institutions to deliver government social policy? Is it desirable for the organisations delivering government social policy to be tools? Is resistance bad and is acquiescence good?* Just as the top-down and bottom-up debates had irreconcilable differences about the relative value of the opinions of those at the top and bottom of the policy hierarchy (Hupe & Hill, 2007; Linder & Peters, 1987), so too these normative questions are challenging here.

I believe the answer to these questions is that *it depends.* Involving institutionalised organisations in the process of social policy implementation will inevitably have desirable and undesirable consequences, just as involving organisations which are *tools* will also have desirable and undesirable

consequences. Judging the relative merit of involving non-profit institutions in the process of social policy implementation cannot be determined in sweeping statements but must be judged on a more case-by-case basis.

Perhaps it is that negative features of involving non-profit institutions in the process of social policy implementation are alleviated somewhat by the assumption that these organisations are not driven by survival and profit-maximising behaviours (Billis & Glennerster, 1998; Hansmann, 1980). Instead it is generally accepted that NPOs are driven by people with a certain view on social policy and extensive experience usually in providing a range of services and supports for people who are marginalised and vulnerable (Nevile, 2009). Indeed, "many NFPs [not-for-profits] add value to the community through both the delivery of services and the nature of their production processes" (Productivity Commission, 2009, p.xxix). These organisations also can exist within a range of accountability contexts, both horizontally and vertically: "alternative forms of accountability exist. These can be seen as more or less appropriate in different settings... [therefore] judgements on what looks appropriate are essentially political judgements (Hupe & Hill, 2007, p.295).

Surely, social policy implementation "providers" do have a legitimate voice in the policy process because of their technical and content expertise. As providers and professionals, the participants I observed all had passionate, synthesised, reflexive, value-added perspectives on the experience and delivery of social policy. Obviously, the issue of "provider capture" is important when considering NPO involvement in social policy implementation (Linder & Peters, 1987). However, this

research has shown that NPO involvement in social policy is not restricted to a dichotomous role of either implementation or lobbying. Instead, through the use of agency and the perspective of their organisations as *more than* tools of government, NPOs are involved in social policy implementation as they seek to enact it.

9.5 Practice and research implications

Research implications

Identifying the importance of Selznick's institutionalism – or of organisations as institutions – as a finding emerging from the data rather than as a framework applied from the outset of the research opens numerous doors for further exploration. During the process of data analysis, the experience as a researcher of discovering the importance of an expanded understanding of institutional theory was simultaneously liberating and frustrating in that I wished (albeit very briefly) for an opportunity to begin my entire research project again from scratch with a comprehensive focus from the outset on leadership in emerging and established institutions. Obviously, the use of Oliver was critical for interpreting the data in a way that spoke with some relevance and appropriateness to the predominance of organisational and institutional theory underpinning the third sector and implementation literature. However, reviewing the data through a more developed institutional perspective could also have yielded rich findings.

Consider, for example, Kelly's deeply set opinion of the role and function of the PCC and community centres in general (described above in 9.2). Data such as this

suggests that rich analysis awaits the patient researcher who further investigates the role of institutional leadership for NPOs involved in social policy implementation. Further exploration, applying institutional theory constructs such as the process of developing and embedding logics of appropriateness (March & Olsen, 1984, 1989, 2006), and, as previously mentioned, Scott's (2008) three pillars (regulative, normative and cognitive) of institutions could prove satisfying and theoretically enriching. As mentioned above, my findings in relation to FAA suggest exploration of Boin and Christensen's (2008) phase model of institutionalisation could also provide deeper explanation for the role of NPOs involved in social policy implementation.

This research has also highlighted the important role of leaders. I have hinted, in Chapter 8, at the significance of academic perspectives on leadership for the role of NPO leaders. However, again, discovering this theme as one emerging from the data – rather than it being a theme identified from the outset as a specific research focus – has also raised more questions than it has answered. I suggest in Chapter 2 the emerging, but as yet under-developed, application of leadership to explain the involvement of NPOs in social policy implementation, summarising that leadership tends to be more a finding than a framework for investigation. Unfortunately, the research in this thesis replicates such an approach. Thus, this study builds the case for a more developed leadership-focused study of NPO behaviour in the process of social policy implementation. It also supports further research into the role of leaders or "entrepreneurs" (Lowndes, 2005) in institutional development and change. Combining leadership and institutional theory approaches would also prove

theoretically and practically informative. Such a combination could explore further the key finding here of how leaders "frame" the work of their organisations and provide insights to themes such as bounded rationality (Simon, 1955).

The importance of looking to the nexus between governments and "third party providers" from the perspectives of the providers themselves is also highlighted. Observing the role of NPOs both at the front and back end of social policy development and implementation has demonstrated that despite involvement in different "phases" of social policy, common themes emerge for the NPOs. Looking at the day-to-day experiences of NPOs has also provided a useful contrast to the typical experience of exploration and analysis based on specific episodes, critical events or specific government decisions.

While this research has underlined the importance of organisations as institutions in explaining the role of NPOs in the process of social policy, it has also suggested, in Chapter 8, that there *are* NPOs who engage in the process of social policy implementation *as tools*, and that, at times NPOs who consider themselves as institutions, or aspire to become institutions also behave as tools of government. It would be a fascinating research endeavour to further explore these types of NPOs, or NPOs in these circumstances, their organisational development and change over time, and the themes feeding their trajectory as *tools* – and particularly on the role of leadership in this organisational journey.

Practice implications

What, if any, are the implications of this research for the design of government-NPO relations in the process of social policy implementation? Essentially, one key practice implication *for governments* is that it pays to know *what makes NPOs tick*. This suggestion is made repeatedly in the networks and governance literature, in recognition of the horizontally power shared world in which social policy implementation often occurs (Hupe & Hill, 2007; Rhodes, 1997). Such a suggestion is reinforced also by the recent preliminary findings of the Australian Government Productivity Commission (2009). Here, I make this suggestion again particularly with reference to the insight of this thesis that an institutional perspective may be useful in understanding the function and response of NPOs involved in social policy implementation.

Both the world of academia and practice lose an important element to understanding the process of social policy implementation when divorcing policy development from implementation and delivery – not only because "few policies are implemented fully formed" (Mulgan & Lee, 2001, p.7). In the vein of Lipsky's findings recognising that the work of street-level bureaucrats "effectively become the public policies they carry out" (Lipsky, 1980, p.xii), this study has shown that at an organisational level, the way that NPOs engage with the process of social policy implementation also influences the way polices are carried out. Despite the claims of some NPOs that they are apolitical (Casey & Dalton, 2006), this study has found examples where the involvement of NPOs in the process of social policy

implementation involves policy interpretation in the process of delivery, suggesting an inherently political experience for NPOs (Hupe & Hill, 2007).

Recognising that "policy formation and implementation occur continuously and simultaneously and are always influencing each other" (Klijn, 2002, p.162), Klijn makes a number of helpful suggestions about the role of the public sector in the modern "hollow" state. For example, Klijn (2002) encourages a move away from a restrictive "phase" model of policy development and implementation, with a "preoccupation with control" (p.162) and "finding one optimal solution" to "problems... [that] tend to change over time" (p.161). Instead, Klijn recommends government actors focus on facilitating processes which explore options and guide learning.

The involvement of NPOs in social policy implementation has implications for accountability of public funds (Mulgan, 2005, 2006). The debate about accountability of non-government actors in the process of social policy implementation is vast and illuminating and cannot be fully summarised here. My research concurs with other findings suggesting that an appropriate accountability response to the findings presented here would *not* be to instigate greater controls and limits of these organisations in an effort to suppress deviation and increase standardised practice (Hupe & Hill, 2007). My research would suggest that some consequences of doing so would decrease the trust in relationships between governments and NPOs, complicating and problematising social policy implementation processes. This is especially so for NPOs who see themselves as institutions and are staffed and led by people who believe that it is professionally

irresponsible *not* to inform the process of social policy implementation as they enact it. They have a *duty* to do so. Surely the role of government here is to create policy development and implementation systems which enhance and ensure the voices of providers and service users are well balanced.

Australia is in the process of developing a national "compact" to frame the Australian Government's relationship with third sector organisations (Australian Department of Families Housing Community Services and Indigenous Affairs, 2009), Australia's non-profit sector is receiving increasing levels of attention. Such an approach has been introduced in the UK, Canada and by some of the Australian state and territory governments with mixed results (Barraket, 2006; Casey & Dalton, 2006; Lyons & Passey, 2006). Key features of these approaches include that they affirm the independence of the third sector organisations, supporting their right to pursue their own goals and comment on government policy. Developing a compact in a context of collaborative governance models, and also now co-production (Alford, 1998), provides an opportunity for re-inventing the relationship between NPOs and governments in Australia (Melville & Perkins, 2003). This process, its outcome and follow-up may provide opportunities for governments and NPOs to work together to formally agree upon and articulate a standpoint on NPO involvement in the process of social policy development and implementation.

9.6 Conclusion

This thesis has sought to contribute to the academic discussion of the involvement of NPOs in the process of social policy implementation. By focusing my empirical

questions and methods on the nexus between NPOs and governments I have uncovered new insights into this process. Analysing these insights through a particular theoretical framework (Oliver, 1991), I have confirmed its utility, but also sought to further develop and apply it. In doing so, I interpret the structural explanations of Oliver not just as the sole true explanation for NPO engagement in social policy implementation, but as a lens through which to explore and discover other explanations. Two other explanations – significant in their pervasiveness – which have emerged from the data in this study have been the role of leaders and organisational identity as *not just a tool*. When brought together, these two explanations strongly suggest the usefulness specific aspects of institutional theory as a complementary explanatory framework for understanding the role of NPOs in social policy implementation.

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APPENDICES

Appendix 1: Example of an agreement with NPO field site

Principles of Participant Observation and "Fieldwork"

Agreement between [Faith Aid Australia] and
Alison Procter, PhD Candidate at the Australian National University (ANU)

Purpose

This document aims to outline the principles and pragmatics of Alison Procter's fieldwork-relationship with [Faith Aid Australia], and although it does not represent an ultimate or complete contract for this relationship it forms the basis from which this relationship will be negotiated as required. This document is best read in conjunction with Alison's submission to the ANU Ethics Committee, the broader Australian Research Council (ARC) project's approved submission to the ANU Ethics Committee, and the ARC/ANU contract with Alison which details information such as intellectual property and are referred to throughout this document.

Background

As a part of a larger ARC project, Alison Procter is completing a research project to fulfil the requirements of her PhD at the ANU. This research project currently has the title *Nonprofit-Government Service Delivery Relations: "In order to work with us they need to know how we work"* and aims to investigate the question "how do people in nonprofit human service organisations understand and engage in the service delivery relationship(s) with government(s)?". This three year project, running from 2006-2009, involves (1) a review of the literature (2) period of "fieldwork", incorporating observations, interviews and agency document review in one or more nonprofit service delivery organisations, and (3) "write up" of a thesis.

The larger ARC research project into which this PhD project fits, *Improving decision-making in government service delivery using third party providers*, aims to investigate how relationships between government and providers are managed and can be improved. This project involves a team of more than five researchers, and is funded and governed in a partnership arrangement with the ANU, the Australian Government Departments of Families, Community Services and Indigenous Affairs (FaCSIA), Employment and Workplace Relations (DEWR), Finance and Administration (DOFA), Veterans Affairs (DVA), and the Victorian Department of Human Services.

Pragmatics

During the period of fieldwork, which will run for three to six months starting no later than March 2007, Alison will endeavour to:

- Be present at [Faith Aid Australia] approximately three days per week depending on university commitments; conducting herself at all times in a professional, amenable and transparent manner; observing the functioning of the office; discussing the work of the office with the [Faith Aid Australia] staff and volunteers; reviewing written agency information; and answering any questions about the nature of her research.
- Update [Faith Aid Australia]'s position papers – to become familiar to the work of the organisation and to contribute to the organisation – and any other negotiated work.
- Make presentations to [Faith Aid Australia] about the findings of the project, inviting and incorporating [Faith Aid Australia]'s verbal and written feedback into the final written thesis.

And [Faith Aid Australia] will endeavour to:

- Provide Alison with desk space, a PC and access to the internet.
- Invite Alison to relevant and appropriate meetings (including board meetings) and events considered relevant to the work of [Faith Aid Australia].

- Provide Alison with opportunities to interview and have discussions with [Faith Aid Australia] staff and board members and to review agency documents.
- Introduce Alison to stakeholders where suitable.

If [Faith Aid Australia] have any concerns about the progression of the fieldwork that cannot be resolved through discussions with Alison, then points of contact for them are outlined in the ANU ethics committee submission and include Alison's PhD supervisor, Paul 't Hart, the principle investigators of the ARC project, John Wanna and Claire Donovan, or the ANU Ethics Officer.

Principles

Confidentiality and Trust

Alison will at all times conduct herself in a professional and trustworthy manner with integrity and respect for the people and work of [Faith Aid Australia].

The information gathered during fieldwork – including documents reviewed, interviews or informal discussions, and observations made – will remain strictly confidential at all times and will only be discussed as necessary with Alison's thesis supervisor, Prof. Paul 't Hart at the ANU, as a part of her academic supervision. Data stored will be de-identified if specifically nominated by the participants – otherwise, throughout the project, data will be coded and stored securely. The thesis and any subsequent publications will incorporate only de-identified descriptions of the work and processes of [Faith Aid Australia] unless participants have a strong wish to be identified, in which case this is also negotiable.

Intellectual Property and Publications

Part of the methods used for this research will be that participants are invited to read and prepare a written response to the findings described and analysed in the thesis, which will be included in the final thesis (due for submission in 2009). There may also be other publications – for example a book chapter or journal articles – stemming from this research. The

intellectual property of the thesis and subsequent publications will be retained by Alison Procter, with acknowledgement to the "anonymous" contributions made by participants.

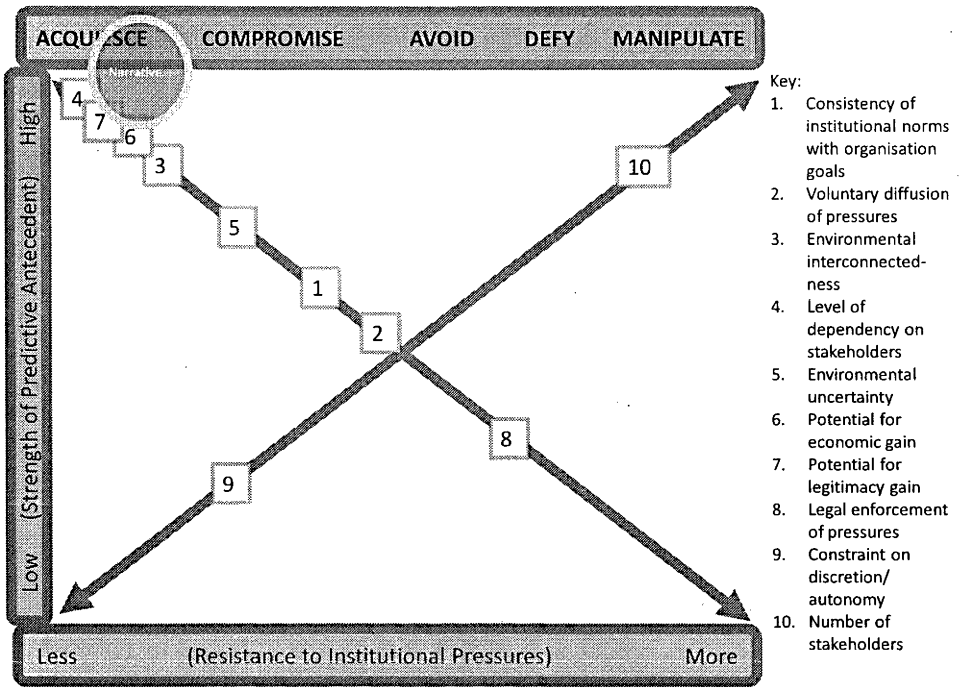
ANU Ethics

The project will at all times comply with the ethical standards illustrated in Alison's January 2007 submission to the ANU Ethics Committee and the overall ARC project's ethics approval. Both these ethics submissions are based on the Australian Government's "National Statement on Ethical Conduct in Research Involving Humans" (1999) which outlines the basis of all research involving humans as being guided by the values and ethical principles of integrity, respect, beneficence, and justice. These standards include guidelines for consent, data storage, recruitment of participants, payment, confidentiality, the benefits and risks of fieldwork and the voluntary nature of participation.

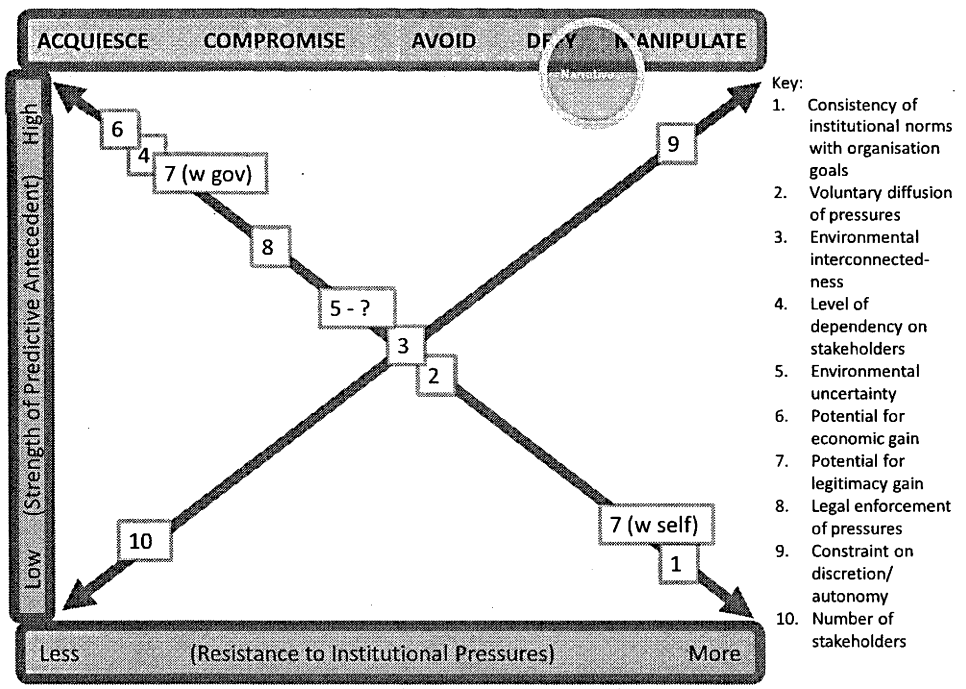
Signed in agreement by:

[Key Participants] [Faith Aid Australia] Date:	Alison Procter Australian National University Date

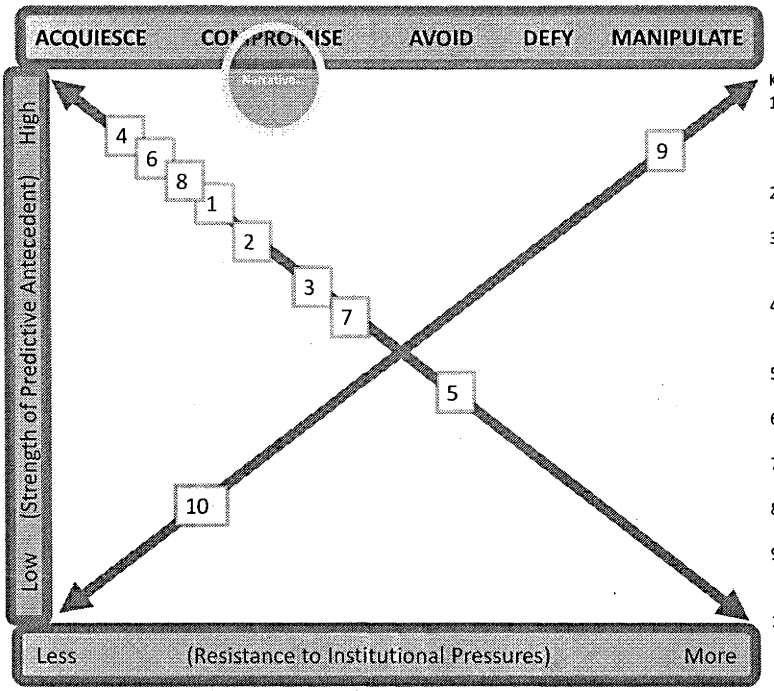
Appendix 2: Three examples of how I visually represented narrative episodes



FAA: Responding to Government (based on Oliver, 1991)



NCC: "I told him off" (based on Oliver, 1991)



Robwood: Common Audit Statement (based on Oliver, 1991)

Appendix 3: Participants' comments

These are the comments made by the participants in this study after reading the narratives in which they feature. I have excluded the at times lengthy and detailed discussions about appropriate levels of de-identification.

> *Reading it made me feel so proud to be part of Faith Aid.*
>
> Eddy, FAA

> *Wow. I am tired just remembering all that I was involved in...*
>
> *I'm happy with how you've interpreted all the bits and pieces.*
>
> *In summary, it feels like we are always on the back foot with Govt; trying to work them out; trying to second-guess them; schmoozing with them; hiding from them; begging them; reporting to them using stupid instruments; all in the name of trying to help the community and build a better world. The one thing we don't seem to be with them - is in PARTNERSHIP - not a real one anyway.*
>
> Kelly, PCC

> *Hi Alison, some comments in the text but otherwise it seems to me to be on the money. My job sounds more interesting when you write about it...*
>
> Julie, Robwood

> *Hi Alison, started reading this morning and couldn't put it down... It is really well written, insightful and thoughtful and I can't wait to read the whole shebang! It is classic reading...*
>
> [Fieldwork Coordinator], Robwood